the taxpayer

Spring 2016

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From the President

Troy Lanigan
tlanigan@taxpayer.com

Government employees vs. taxpayers

I want to share with you a very important case in which your CTF will apply to intervene before the Supreme Court of Canada (SCC).

The SCC has given constitutional protection to collective bargaining and, more recently, the right to strike. This November the court will hear a case that could go even further by potentially constitutionalizing any gain made in a collective agreement. In other words, nothing granted in a collective agreement could *ever* be taken away without a union's permission.

A decision favourable to the union in this case would have nothing short of monumental implications for elected governments' ability to make decisions about service provision (albeit as poor as they often are) and, by extension, to control claims against the taxpayer.

The specific case involves a dispute between BC teachers and the BC government going all the way back to sweetheart provisions granted the union by the province's NDP government in 1998 that the subsequent Liberal government rescinded.

Incredibly, BC Supreme Court Justice Susan Griffin ruled in 2014 that important terms in a contract between the BC government and a government union could not be modified without the consent of both parties, unless there were "exigent" or "urgent" circumstances.

Fortunately, a year later, the BC Court of Appeal overturned this decision. It found that the trial judge erred in finding that the government could not legislate the terms of a collective agreement over the objections of a union, and said that the trial judge stepped too far into the political arena. The appeal court noted — quite rightly — that the trial judge's approach would have effectively provided "workers with a presumptive constitutional veto" over education policy.

> "We are slowly sliding toward a circumstance where taxpayers work for government unions instead of government unions working for taxpayers."

And so the dispute now goes before the SCC. It does not matter that the case comes out of BC or that it happens to involve teachers. The implications are country-wide and involve all collective agreements. The SCC has racked up one favourable decision after another cementing unions' already strong position in negotiations with Canadian governments. Yet no one seems to be asking about constitutional protection — under the Charter's equality guarantee — for the taxpayers who pay for these decisions.

That's why the CTF is getting involved.

We hope other provincial governments will also join as interveners. If the BC government loses this case, anything granted by a union-friendly government in a collective agreement could become nearly impossible to remove. Think what a Wynne or Notley government could sign away on their political deathbed despite what voters may want a future government to do. Remember wages and benefits account for more than half of provincial and municipal spending.

None of this is to say that unions shouldn't be able to negotiate such things as pay, benefits and working conditions, but we are slowly sliding toward a circumstance where taxpayers work for government unions instead of government unions working for taxpayers. Voters and taxpayers need to push back. t

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The cover:

The nation:

Advocacy & opinion:

The provinces:

Letters

Climate change

RE: Lead editorial (Winter 2016). Thank you for promoting adaptation rather than mitigation for climate change. Considering the ever-increasing world population, mitigation is a losing strategy. Current solar panel technology and wind power have reached their limits in cost savings due to scale and yet they are still far more expensive than power from fossil fuels, even at $100 per barrel.

Continued subsidizing of current technologies that have nowhere to go is a fool's game. If the vast sums of money paid to subsidize the current limited technologies had been directed to research, it is probable that in time we would find a viable technology to produce "green energy." I dare not attempt to predict what form it will take. Actually, we already have a viable form of green energy. It is called nuclear power. Again, emotion trumps logic.

Years ago, a scientist by the name of Malthus predicted that population growth would outstrip food supply and the world would face massive famine. He would have been right without a game-changer.

The game-changer, which he could not predict, was the technology to convert the nitrogen in the air we breathe into cheap fertilizer. Food supply is now keeping up to population growth.

For now, adaptation and research is the only sane path to follow. Let us stop the subsidies, especially since much of these subsidies end up in the pockets of Chinese companies. Without the subsidies no one would be buying their solar panels.

Frank Adamek, P.Eng (retired)
Canmore, AB

Direct democracy

I have been a donor to your group for very many years. The recent fall edition is more compelling than ever. But, are we getting anywhere?

What bothers me is the extreme difficulty you and many others have in actually influencing the governments. Like many "letters to the editor," the reasoning can be completely sound, but the intended recipients do not need to read it nor follow it.

We elect our representatives by democratic processes, but political parties and those advising the leaders are the ones who make the decisions. They have little way of knowing (or caring) whether the majority agree with their actual decisions. But, now and again, a referendum would fix that.

If you doubt that referendums initiated by the citizenry can work, look at prosperous Switzerland. There, referendums are quite often pursued municipally, cantonly and federally. Many states in the United States also allow for referendums introduced by the public.

I know this may sound untenable to many of us in Canada, but it really isn't. We believe in democracy and we follow it when we vote for our representatives. So why can we not in this modern age take it a step further?

Dick Tafel
Corbeil, ON

Understanding the numbers

With the tabling of the federal budget, I have spent considerable time trying to understand the budget and where we are financially as a country. I am convinced that the average taxpayer cannot comprehend the state of the country's finances. One of the reasons is that taxpayers can't imagine or comprehend numbers with nine zeros after them. Put the numbers in a format and with terminology the taxpayers understand and they will quickly comprehend the situation.

Taxpayers don't fully understand the impact of budgets on them because government ads give the impression that government has its own money which it is providing to select groups of citizens.

Let me illustrate what is never reported or commented upon (other than by a few journalists such as Andrew Coyne).

> Even with today's low interest rates, interest payments consume 9.6% of tax revenue. And that expense continues even if tax revenues decline.

The federal debt is 225% of disposable income (assuming tax revenue is "disposable income"). The average Canadian's total debt is 164% of disposable income and in December 2014 the Bank of Canada was worried about that level of debt. No one asked the government why it wasn't worried about its debt load.

The government never pays off its debt but assumes that it can refinance maturing obligations.

Even with today's

low interest rates, interest payments consume 9.6% of tax revenue. And that expense continues even if tax revenues decline.

The government is borrowing to pay for operating and program expenses. (The current budget suggests that part of the reason for the deficit is infrastructure spending. However only $5.56 billion is infrastructure spending. The rest of the so-called infrastructure is for new or enhanced social programs.) We are borrowing for operating programs but leaving the cost for future generations to pay.

R. Bev Harrison
Parksville, BC

Health reform needed

In the early 1980s, health care consumed about 30% of provincial governments' operating budgets. Today, it's 50%; and, if nothing changes, it will be 70% by 2045.

Health care is a publicly funded monopoly that taxpayers cannot afford. Wait times, wait lists and rationing are the norm for patients.

Moreover, health care prohibits choice while at the same time not offering any guarantees as to service, access and quality. Governments do not hesitate to hold the private sector accountable, but they refuse to "walk the talk" when it comes to health care.

For more than five decades, the Canadian health care agenda has been dominated by the persona of Tommy Douglas and the aggressiveness of his acolytes, especially the unions.

It's time to bring health care in Canada into the 21st century.

Canadians for Sustainable Medicare [www.c4sm.ca] believes patients and their timely access to quality care must be the focus. Patient choice must supersede the preservation of the health care monopoly. It's time to reframe the future.

Ronald Kustra
St. Albert, AB
Ron is the spokesperson for Canadians for Sustainable Medicare.

Financial cloud hanging over Ontario

Citizens of Ontario will need to make serious decisions in the very near future. A financial cloud overhangs us, surrounds us and follows us everywhere.

Ontarians have grown to accept certain truths. Yet these truths are now under fire, questioned like never before. For example, the belief that the Ontario Health Insurance Program (OHIP) will always be there for us in our time of medical need.

OHIP is a huge part of the Ontario government's debt load. Yes, indeed, it is responsible for more than 40% of all provincial debt annually and this statistic is growing.

Ontario's population is aging and with an aging population come the various medical ailments that cost us dearly.

Like a union's unfortunate situation, where two working individuals pay for their future pensions and also the pensions of three retired colleagues, Ontario's population will not be able to pay for their OHIP dream. What can the provincial government do about this financial crisis?

Increase taxes, download programs to municipalities, cut services or perhaps a radical change in government responsibilities.

We need to change Ontarians' expectations. We need to have the foresight and courage to recognize the situation our province is in, and educate Ontarians about the solutions that will solve Ontario's problems.

OHIP is the financial and moral center to our problem.

We need to end the OHIP experiment as it is presently. Sell our hospitals and services to the private sector. Our nurses and doctors will prosper and stay in Ontario. The monies we receive for the above will go toward paying down our debt.

The insurance industry can be invited to insure every citizen in Ontario.

Fearing the loss of OHIP can and will be shown foolish through the power of the many in effecting change in our health and insurance sectors. The insurers of Ontario can and will jump at such an opportunity. Governmental regulators will legally make sure of compliance.

Steven Kaszab
Bradford, ON

Letters to the editor

Letters may be edited for length, content and clarity. Send your letters to:

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Compiled by
Dean Smith

Plowing through government money

The federal government has been ordered to pay an employee for time she spent clearing snow from her driveway.

Cecilia Close works for Citizenship and Immigration Canada in Sydney, NS.

She was late for work Feb. 9, 2011, because she spent hours clearing her 35-foot driveway of a heavy snowfall that started the day before.

When she finally arrived at work, her pay was docked. She appealed the decision to the Public Service Labour Relations and Employment Board.

To their credit, government managers put up a good fight. They argued that Close made a number of decisions that affected her ability to get to work on time. These included:

Choosing not to begin clearing snow the night before, which would have eased the burden in the morning.

Choosing not to get up earlier to clear the snow.

Choosing not to call a cab because she did not want to walk through the deep snow to meet the cab at the road. She did not consider clearing a path to the road so she could take a cab.

Management also noted that since she knew the snow was coming, she could have parked her vehicle close to the road.

Instead, she decided to use a snow blower to clear her driveway, and because she was unfamiliar with the machine, it took her several hours to clear her driveway.

The labour board ordered the department to pay her full salary for the hours missed while she was clearing snow.

Source: *Blacklock's Reporter*

Sick days still taken to the bank

In 2012, the Ontario government removed teachers' ability to "bank" sick days and reduced from 20 to 11 the number of paid sick days teachers can take annually.

Banking of sick days meant teachers could save up their unused sick time and receive a one-time payout at retirement. This amounted to a maximum of half their unused sick days — about $45,000 per teacher.

The move saved Ontario taxpayers $1 billion as liability for the banked payouts was removed from the books.

However, now that teachers can no longer bank sick days it seems they are increasingly deciding to use them all up.

The School Boards' Cooperative Inc. found there has been a 17% increase in teachers' sick day usage over the previous four years.

In 2014-15, teachers used an average of 10.29 sick days, up from 8.86 days in 2010-11.

With principals forced to use substitute teachers in their absence, it is estimated sick time costs Ontario taxpayers nearly $1 billion a year.

Source: *The Globe and Mail*

Canada has third-highest paid top politician

How does the salary of Canada's prime minister compare with that paid the other top politicians in the world?

According to a report by CNN, with an annual salary of US$260,000 (CDN$333,000) last year Canada had the third-highest paid leader behind Singapore and the United States.

Darren Kirby/Wikipedia/Creative Commons

Kelowna, BC

Unhappy city employees in Kelowna?

After converting salaries to American dollars based on 2015 exchange rates, CNN listed the top salaries as follows. (These figures do not include benefits such as pensions.)

- Singapore Prime Minister Lee Hsien Loong — US$1,700,000 (population 5.7 million)
- American President Barack Obama — US$400,000 (324 million)
- Canadian Prime Minister Justin Trudeau — US$260,000 (36 million)
- German President Angela Merkel — US$234,400 (81 million)
- South Africa President Jacob Zuma — US$223,500 (55 million)
- UK Prime Minister David Cameron — US$214,800 (65 million)
- Japanese Prime Minister Shinzo Abe — US$202,700 (126 million)
- French President Francois Hollande — US$194,300 (65 million)
- Russian President Vladimir Putin — US$136,000 (143 million)
- Italian President Matteo Renzi — US$124,600 (60 million)
- Brazilian President Dilma Rousseff — US$120,000 (209 million)

Source: *CNN Money* | *Ibtimes.co.uk*

A nutty Netherlands idea

In 2012, the city council of The Hague, Netherlands, spent nearly $219,000 to build a small, elaborate bridge over a busy city highway to provide squirrels safe passage.

Security cameras were set up to monitor the bridge's usage. In the four years since it was constructed, only five squirrels have actually used the bridge.

In 2012 and 2013, the bridge was not used at all. In 2014 three squirrels inexplicably decided to give it a try. It seems they provided less than favourable reviews, as the next year the bridge suffered a massive 33% drop in usage with only two squirrels crossing over.

One person noted it would have been cheaper to have provided the five squirrels with a personalized chauffeur service.

Source: *The Daily Mail*

"Rule twisters" wining and dining "rule makers"

Senior managers of the Canada Revenue Agency (CRA) were treated to lavish parties hosted by accountants, some of whom were under investigation at the time by the CRA.

The CBC reports that the tax policy committee of the Chartered Professional Accountants of Canada (CPA) hosted CRA managers at Montreal's Rideau Club, allegedly known for its Vegas-style policy that "what is said at the club, stays at the club."

The CPA executive includes personnel from KPMG, under investigation by the CRA for allegedly operating a tax dodge on the Isle of Man for its Canadian clients. It is not known which tax accountants were in attendance at the parties.

Though no tax dollars were apparently involved, concerns were expressed about how organizations that CRA regulates were able to wine and dine senior CRA executives.

CRA even has regulations in place preventing em-

A lesson in recycling tax dollars

Greys recycled paper

Photo: Mack Male/Flickr/Creative Commons

ployees from accepting "gifts or hospitality" that could potentially affect its impartial relationship with a client. Employees must report any gifts exceeding $50 and gifts of alcohol are specifically banned.

Despite these regulations, the CBC reported that CRA senior executives were "required" to attend a party in June 2014 that also included a sponsored luncheon earlier in the day.

According to the CBC, CRA executives and workers have attended more than 50 such events sponsored by the tax industry since 2010.

One critic wryly stated that the "rule makers" were getting too close to the "rule twisters."

Source: *CBC*

Edmonton tax dollars get recycled

Despite receiving $9.4 million in subsidies from the city of Edmonton between 2009 and 2014, Greys Paper Recycling filed for bankruptcy in March.

Though the city never took a partnership position in the company or paid any of its operating costs, the city contributed $5 million for building construction and renovations and $4.4 million for equipment purchases.

More than 100 businesses, including the city, were supplying paper and old clothing that the company used to create a unique brand of eco-friendly paper that used less water than other paper recyclers and no chemicals.

The paper, as the company's name suggests, came with a slight grey tinge.

The company apparently ran into problems due to quality control issues and resulting poor sales.

When the company was unable to get an additional $1.5 million in investment to keep going, it pulled the plug and stopped operation.

The city is hoping the heavily subsidized equipment and building will be used to start a new recycling company.

Source: *Edmonton Journal*

Are Kelowna city employees happy?

Apparently Kelowna city council doesn't know how happy their employees are and will be spending $70,000 on a survey to find out.

That works out to $77.78 per civic employee.

Ron Seymour, a columnist for *Kelowna's Daily Courier*, wrote:

> "Never mind that a similar survey only two years ago found that 71% of the nearly 900 municipal workers were satisfied with their jobs. Given their high rates of pay, iron-clad job security and generous pensions, it's mind-boggling that 30% of city workers say they're not satisfied. Maybe they should quit!"

Source: *Kelowna Daily Courier*

Skyrocketing costs for Syrian refugees

While refugees from other countries ask why Syrians are being rushed into Canada ahead of their equally legitimate claims, people are now beginning to question the high costs associated with bringing in the Syrians, due in large part to the rush the government is putting on the effort

The cost to bring in each Syrian refugee is now at the $10,000 mark — 137% higher than the government's initial estimate.

During last fiscal year, Ottawa spent $236.5 million to bring in Syrian refugees. This included $39.1 million on "settlement and integration"

Does your work pay you to snowblow your driveway?

and another $73.2 million to welcome them to Canada. Transportation costs were $77.8 million and another $36 million was spent on processing.

So far this year, five government agencies involved with the Syrians have requested an additional $430 million to help cover their escalating costs.

It is expected the total federal bill for the Syrian refugees will reach $1.2 billion in six years.

Source: *Blacklock's Reporter*

New Brunswick premier holds gala in Quebec

Describing it as a networking event to attract business to his province, New Brunswick Premier Brian Gallant held a party in Montreal that cost provincial taxpayers $12,455.

The two-hour gala at Montreal's prestigious Chateau Champlain featured an open bar that cost an estimated $2,000.

Other expenses included:

- Take-home Ganong chocolate truffles — $1,418
- 60 grilled apple Brie cheese sandwiches — $195
- 144 mini-burger sliders — $414
- Finger food — $3,160

The $12,000 tab for the event did not include the transportation, hotel and food costs for the premier and most of his entourage.

Source: *CBC*

Paying fake taxes at Niagara Falls

Most people visiting the famous tourist destination Niagara Falls are unaware they are paying a fake tax.

Instituted in 2004, the 3% fee is applied on sales by many of Niagara's hotels and restaurants that some estimate brings in roughly about $15 million per year.

However, though it goes by various names — "destination marketing and development fees" (DMDFs on your receipt) or "tourism infrastructure funding fee" (TIFF) — it is not a legitimate tax applied by a government but rather a fee collected by the city's local tourism board, Tourism Niagara.

The organization in turn is supposed to use the money to fund tourism initiatives.

Though it looks like a required government fee, it is not, and people can ask to have the fee removed from their bill and the business owner must oblige. A number of hospitality businesses in the city refuse to collect the fee.

However, because of a lack of transparency many are questioning whether some businesses are keeping all or part of the fees collected. There is also transparency issues on where the money is going once it is forwarded to Tourism Niagara.

When CBC asked Wayne Thomson, who chairs the tourism group, how much money it collects from the fee, he had no idea.

Source: *CBC*

$235,000 severance after just 90 days' work

Montreal's Concordia University hired chartered accountant Sonia Trudel Aug. 17, 2015, to serve as both chief financial officer and special advisor to the university's president.

She only managed to stay in the position for 90 days, leaving Nov. 16 after the university and Trudel mutually agreed to part ways. She was granted severance of $235,000, the equivalent of a full year's salary.

Source: *Montreal Gazette*

Now this is how you build a bridge — for squirrels?

Squirrel bridge in The Haque, Netherlands

Photo: S. J. de Waad/Wikipedia/Creative Commons

The 'corporate agenda'?

by Troy Lanigan
President

No aspersion has been cast in our direction more frequently than the claim (mostly by unions and far-left bomb throwers) that the Canadian Taxpayers Federation (CTF) represents the "corporate agenda."

What does that mean? Well, according to my exchange with one far-left blogger it means: low taxes, deregulation, private provision of services, balanced budgets, small government, liberalization of trade, curbing the power of government unions, market competition, etc.

He's certainly right in one sense. The CTF wholeheartedly supports these good policies because they underpin prosperity and wealth creation. They allow for entrepreneurs to flourish, for services and goods (even government ones) to be delivered in a competitive environment instead of a one-size-fits-all monopolistic spoon-fed variety, for jobs to be created and for those on the margins to climb out of poverty.

But he's absolutely wrong in another sense. His definition of corporate agenda is off by a mile. He's defining what might properly be called a "market agenda." My retort to him is simple: "by your definition, corporations don't support the corporate agenda."

Oil giants Canadian Natural Resources, Suncor, Shell and Cenovus seemed strange bedfellows with Alberta Premier Rachel Notley when they stood beside her last year and celebrated her new carbon tax and emission caps. But behind the scenes the oil giants had cut a favourable deal that would give them a leg up on their competitors under the new regime.

Auto manufacturers regularly line up for taxpayer cash and oppose trade deals that bring competitive products into the country. Canadian aerospace companies are so knee-deep in the taxpayer trough it would be more honest if companies like Bombardier and Pratt and Whitney were simply nationalized.

Large US-based film companies have managed to get most provinces to provide industry-specific tax credits that reimburse upwards of 45% of their labour costs; they threaten to leave if a province turns off the tap or another province offers a more generous bribe.

Until the exhaustive five-volume series of examples is published, suffice to say when corporations game the coercive power of the state to their own advantage – "rent-seeking" in economic jargon – it may help them but it hurts everyone else because it inevitably leads to less efficiency, fewer choices and higher costs (products, services and taxes).

This isn't the only corporate aversion to market forces.

In the early '90s my predecessor Jason Kenney would say "I wish we got donations from these corporations whose agenda we're supposedly advancing." Back then, the CTF received nary a penny from corporations. Today, after having knocked on countless doors I can report a whopping – wait for it – 3% of our

> "No aspersion has been cast in our direction more frequently than the claim ... the Canadian Taxpayers Federation (CTF) represents the 'corporate agenda.'"

revenues come from big corporations. And while we appreciate it, the support is small and, ironically, is a mere fraction of what's received by those same people screaming about "corporate agendas."

David Suzuki – who compares the oil industry to slavery and suggests politicians who don't agree

with his view of climate change should be jailed – receives $100,000+ donations from RONA Inc., Desjardins, MTS Allstream and Cisco Systems to feather the nest of his foundation. Power Corporation often gives $1,000,000 annual gifts to Suzuki.

Or how about Ed Broadbent, who once declared: "Until we break corporate power, we will not succeed in redistributing income. We will not be able to end … exploitation … We will not be able to achieve the socialist goal of equality." He managed to get a cheque from virtually every blue chip corporation in the country to fund his foundation's 2015 Press Progress conference and gala: CIBC, Air Canada, General Electric, WestJet, Bell, Google, Loblaws. If you go to the Broadbent Institute's website (broadbentinstitute.ca) you can watch a video of Linda McQuaig sipping corporate-funded champagne.

The Pembina Institute, whose mission it is to "reduce the harmful impacts [wink, wink] of fossil fuels" and leads efforts to stop pipeline development in Canada, has received donations from Petro-Canada, Shell, Encana, Suncor and Nexen. In the case of Pembina it might be easier to run a list of which fossil fuel companies haven't given them money.

I would love for the CTF to receive this level of support from corporations in Canada, but my experience in unreturned calls and closed doors is that most are not interested in organizations that promote a "market agenda."

None of this is limited to Canada either: heirs to the great American industrialist families — Rockefellers, Hewletts and Pews — today give millions through their foundations to groups opposed to the very market mechanisms that gave rise to their wealth and the gifts they

Ed Broadbent's 2015 Press Progress Gala: a who's who of blue chip corporate Canada

gave the world.

In fact, one comprehensive study of foundation giving found public-policy philanthropy that aims left gets about 11 times as much foundation money as that which aims right ($0.8 billion compared to $8.8 billion in 2009).

Does any of this make sense?

When I was at university in the 1980s, Fraser Institute founder Mike Walker would from time to time take a group of students out for lunch. Idealists that we were back then we'd toss every imaginable question his way, including one the answer to which I will never forget.

"Why start the institute?" I asked. After a long pause: "so business people understand capitalism."

To be sure, Dr. Walker was being provocative and not literal. But to quote a current employee of the Institute, Jason Clemens, "too many people confuse the interests of business with markets." Thirty years ago I was certainly in the same camp where our far-left blogger friend is today. Since then I have come to understand that when governments empower "corporate agendas" to trump "market agendas," consumers, taxpayers and indeed the economy as a whole pay dearly.

"Corporate agenda" is an aspersion grounded in an understandable and culturally popular pejorative, but it's certainly misused as it pertains to the CTF. t

STOP bailing out Bombardier

by Aaron Wudrick
Federal Director

The Canadian Taxpayers Federation has long been a vocal opponent of tax dollars going to prop up failing corporations – and we've been leading the fight against the latest demand for a billion-dollar handout from Bombardier Aerospace.

Bombardier is of course no stranger to corporate welfare. The company likely wouldn't even exist today had it not been the recipient of more than $3.8 billion in various government handouts since 1966 – on more than 80 separate occasions.

Not long after the election of the Trudeau government last October, the government of Quebec decided to take a 49% stake in Bombardier's C-Series jet program, putting Quebec taxpayers on the hook for $1.3 billion. (By all accounts they are fine airplanes; unfortunately they are $2 billion over budget, more than two years late, and having difficulty selling.) Ever since, both the Quebec government and Bombardier have made it clear they expect Ottawa – meaning Canadian taxpayers from coast to coast — to fork out a matching amount.

Bombardier has a raft of highly-paid lobbyists, special interest backers ranging from union leaders to the chamber of commerce (of which it is a member) and local politicians looking out for its own corporate interests. But what about the millions of taxpayers whose money is on the line? That's where CTF has become a critical voice.

Last November, we launched a radio ad campaign in select parts of the country encouraging Canadians to contact their MPs and tell them to oppose any bailout for Bombardier. Our campaign got considerable media coverage and encouraged other voices to speak up against corporate welfare.

Last December, we had a little festive fun. CTF Federal Director Aaron Wudrick took to the streets dressed as Santa to ask for donations to help out Bombardier and held a press conference to highlight the importance of this campaign to "help the needy." (Unfortunately, we came up a little short of our $1-billion goal, raising just under $10.)

In March, with word a bailout might be imminent, we took the fight right into Bombardier's home province of Quebec, launching French-language radio ads to voice opposition. We've since heard from many supporters in Quebec who are fed up with Bombardier as well.

No matter the outcome, the CTF will continue its campaign against public bailouts for private businesses. We believe that businesses that actually turn a profit should be allowed to keep more of their hard-earned money — but there's no reason for taxpayers to be bailing out businesses that can't survive in the market on their own.

Photo: Daniel E. Photography/Flickr/Creative Commons

> "[Bombardier] likely wouldn't even exist today had it not been the recipient of more than $3.8 billion in various government handouts."

Corporate welfare: a primer

Q: What is corporate welfare?

A: The Canadian Taxpayers Federation considers "corporate welfare" to mean any loan, grant or "investment" of taxpayer dollars to private businesses.

Q: Couldn't low business taxes be considered a form of corporate welfare?

A: No. Low business taxes (or tax cuts) merely allow a business to keep more of the money it has already earned. Corporate welfare is different since it takes from taxpayers and gives to companies money they have not earned.

Q: Shouldn't we worry about job losses?

A: Job losses are always unfortunate and people affected deserve sympathy and help. But the reality is companies go out of business (and new ones start up) every day. The vast majority of companies are not bailed out by governments; in most cases, nobody even suggests it as a realistic option. If governments pick and choose which ones to save, they are playing favourites — inevitably for political reasons.

> "It is misleading to say corporate welfare saves jobs – what it actually does is force taxpayers to pay for those jobs instead of the employer."

Q: But if we can save some jobs, shouldn't we?

A: It is misleading to say corporate welfare saves jobs — what it actually does is force taxpayers to pay for those jobs instead of the employer. Imagine that your neighbour came to you one day and said "my employer is going bankrupt — can you pay my salary out of your pocket instead so I can keep going to work?" Your neighbour's gain is your direct cost. This is exactly how corporate welfare works, just on a much bigger scale.

Q: Many of these jobs are high-paying jobs. Isn't it important to keep them?

A: A high-paying job is only economically desirable if there aren't also high costs to taxpayers for keeping them in existence. Imagine saying a "good customer" is someone you pay to buy your products: they might be buying a lot from you, but you now also have to factor in the cost of paying them too. Also, if the only important measure of a "good job" is that employees receive hefty paycheques, there is no reason to stop at industries like aerospace. Governments could simply pay people $50 an hour to sell lemonade, with very similar "spinoff" and "economic impact" effects.

Q: But in Bombardier's case, their competitors also receive help from their respective governments, so isn't it only fair Bombardier does too?

A: First, many of us will remember our parents telling us "if all your friends jumped off a bridge, does that mean you should too?" This lesson also applies to bad public policy. Just because other countries adopt bad policy, doesn't mean Canada should as well.

Second, even if we accept this argument, the countries that subsidize Bombardier's competitors – the United States (Boeing), European Union countries (Airbus), Brazil (Embraer), not to mention new competitors from China and Japan – are all much bigger and have more resources than Canada. Simply put, we cannot win a subsidy war with these governments. So why would we even try? t

Budget 2016: Fiscal storm clouds put an end to sunny ways

Photo: Normand Gaudreault/Flickr/Creative Commons

by Aaron Wudrick
Federal Director

The new Trudeau government delivered its first budget March 22. The best summary might be: hold onto your wallets, Canada, because this is going to hurt.

With this budget, Finance Minister Bill Morneau put to rest any speculation that the new Liberal government was going to show any sense of fiscal responsibility — and proceeded to abandon the Liberals' own campaign promises in spectacular fashion.

The first promise to be shattered was their own commitment to keep deficits to a "modest" $10 billion. For 2016-17, the deficit clocks in at $29.4 billion — nearly triple the Liberal promise. Even worse, whereas the Liberal platform promised a return to balance in four years, after three years of deficits (totalling $25 billion in new debt), the budget now includes no plan to return to balance and at least $113 billion in new debt by 2021. Even the federal debt-to-GDP ratio, which measures the national debt as a percentage of the economy as a whole, will increase for the next four years.

While many commentators suggest that large deficits are an inevitable result of lower tax revenues, the reality is that federal tax revenues are actually up. The real culprit is increased program spending, with plans to increase it by $44 billion, or 16%, by 2020 – a rate far higher than population grown and inflation combined. Most of this money is structural spending (i.e.

Harper vs. Trudeau: a comparison

On Jan. 27, 2009, then-finance minister Jim Flaherty delivered the Harper government's fourth budget, which included a staggering $55-billion deficit. On that date, Canada's federal debt stood at $458 billion. By the time the Harper government announced a return to balance in April 2015, the debt had ballooned to $612 billion, for an increase of $154 billion in six years.

By comparison, the new Trudeau government is proposing to increase the federal debt by approximately $113 billion in five years, bringing us to approximately $725 billion by 2021.

The CTF has vigorously opposed deficits in both cases, although it is notable that in 2009, Canada was in recession and the Harper government pledged a return to balance by 2015, which it ultimately achieved. Today, Canada is not in a recession, and there has been no commitment to return to balance.

Including the 2016 budget, the federal government has recorded a budgetary deficit in 37 out of the last 50 years. Since 1990, Canadian taxpayers have spent more than $1 trillion (that's one thousand billion) dollars for interest payments on the federal debt alone.

Budget 2016 plan to add billions to the debt

not temporary, one-time commitments, but fixed to continue on indefinitely every year). In spite of all the pre-budget hype, not very much of the new spending is for infrastructure.

There were a few positives in the budget, including a shift to a means-tested child care benefit. A commitment to review the efficiency of the overall tax system could eventually lead to a simpler system – meaning a more level playing field for businesses and tax filers and less resources needed for the Canada Revenue Agency.

Overall, Canadians should be deeply concerned about the additional burden that $113 billion in new debt will place on future generations. Canada already spends $26 billion per year on debt interest and even at current low rates that could grow to $36 billion per year by 2020. In effect, the government has chosen to spend today and stick future generations with the bill.

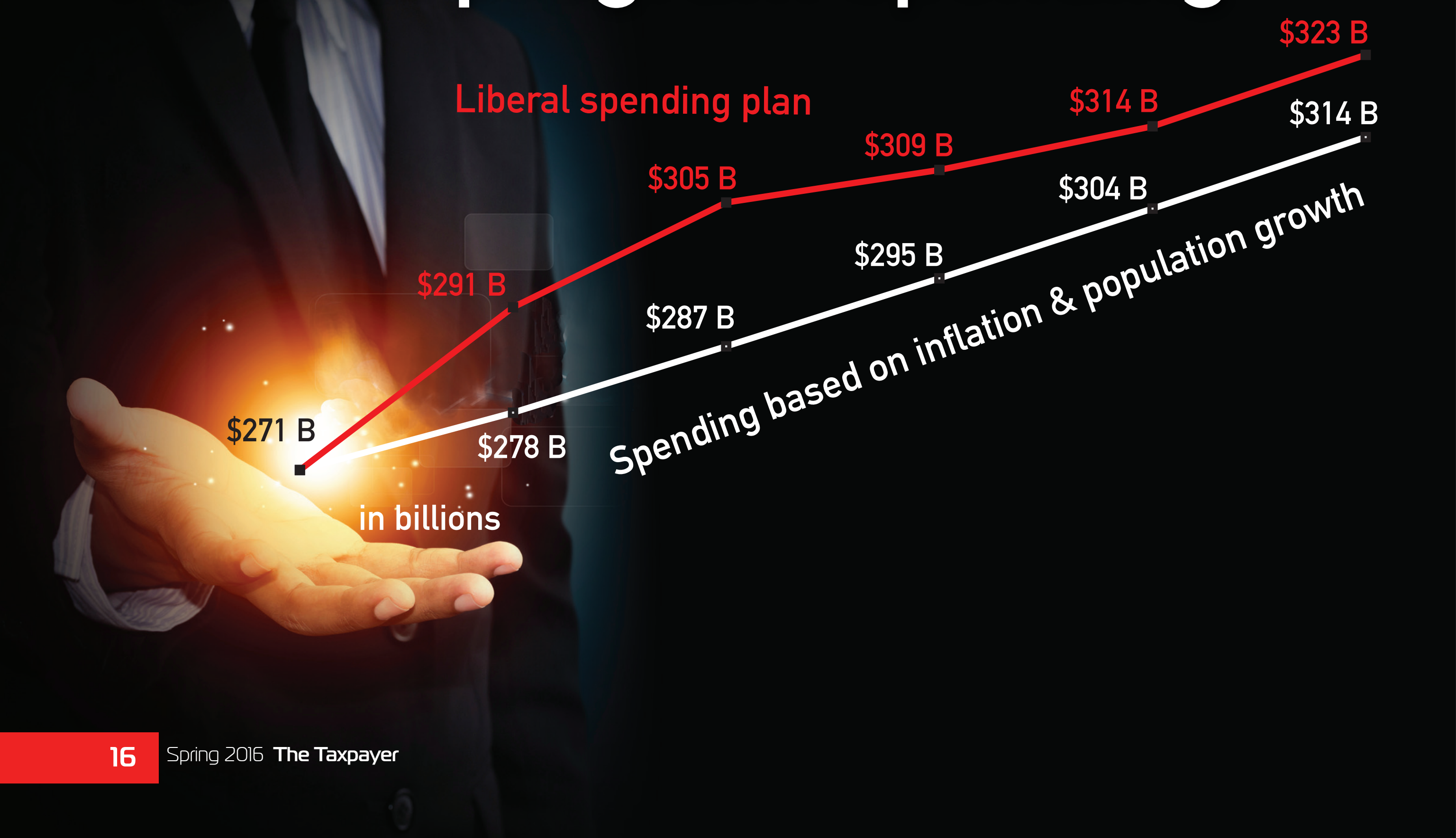
A bad news budget for small business

Small businesses won't be smiling as a result of this budget. The government has deferred previously planned reductions in the small business tax rate from 11% to 9%; instead, the rate will drop to just 10.5%, with any further reductions postponed. Additionally, rules will be tightened preventing the use of partnership and corporate structures to multiply access to the small business tax rate (allowing multiple people to take advantage of the $500,000 limit for one entity), meaning some small business owners may be facing a considerable tax hike for the next fiscal year.

Helping the middle class?

"Middle class families" are being touted as the big winners in the budget. It's true that between the previously announced reduction to the middle-income tax rate (from 22% to 20.5%) as well as the new Canada Childcare Benefit (CCB) which sends tax-free money to families with children based on their household income, some Canadians will see a short-term boost. But it's better to think of this money as a sort of "gift card;" the fine print on the back of the card says the money will actually have to be paid back – with interest. Not many Canadians would give that kind of "gift" to their own children or grandchildren, but that's precisely what the new government has done by forcing future generations to pay for programs being created today.

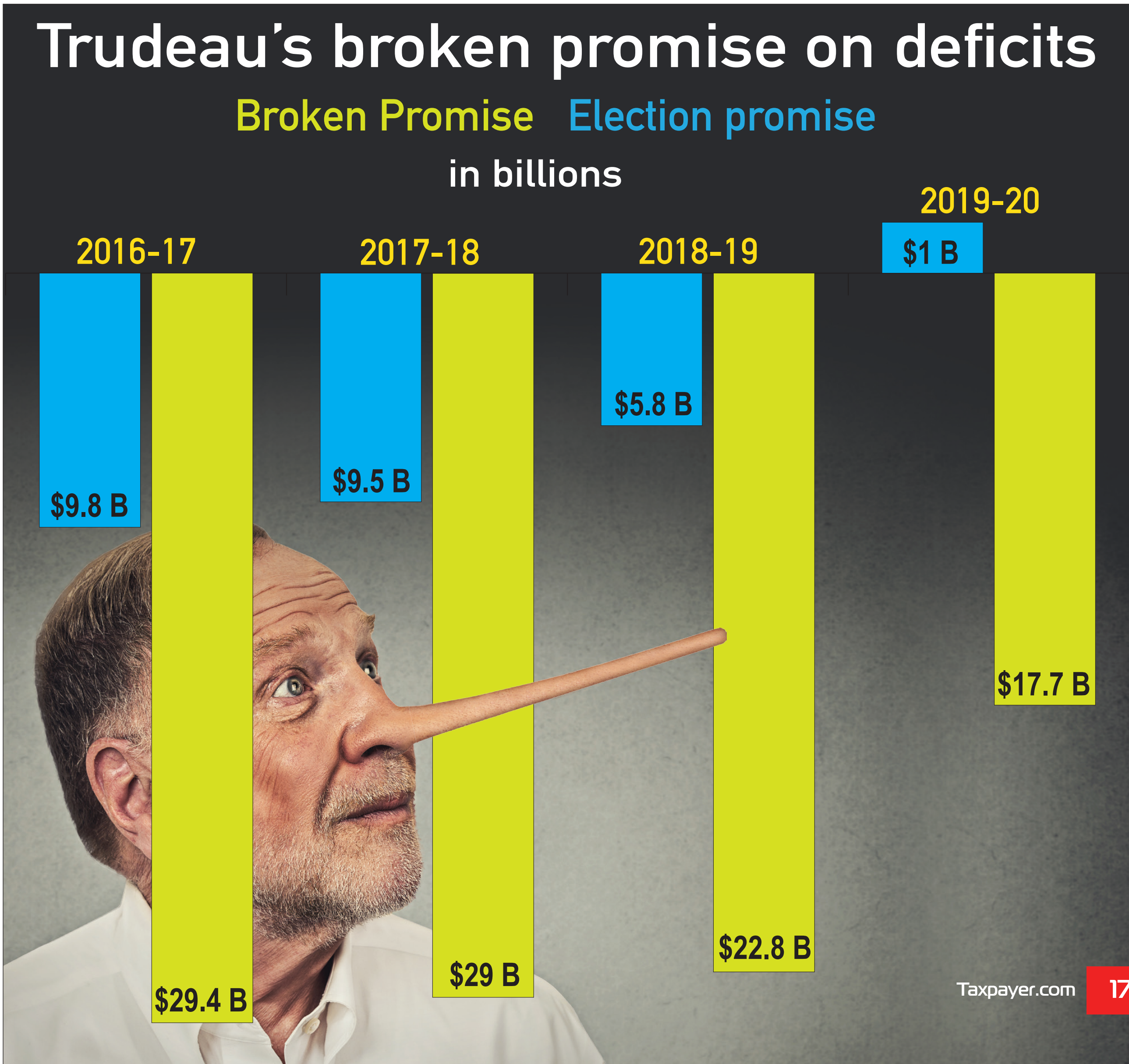
Federal program spending



Budget 2016: Where is the new money going?

- **First Nations:** more than $4 billion for everything from education to water infrastructure and housing.
- **Veterans:** more than $5.6 billion in direct payments to veterans over five years.
- **Students:** post-secondary students will get an additional $1.5 billion in grants and loans.
- **Infrastructure:** nearly $12 billion for transit – although much is also for "green" and "social" infrastructure.
- **The CBC**: an additional $675 million over five years.
- **Canada Council for the Arts:** $550 million.
- **"Green" Technology:** $2 billion for a "low carbon fund" plus another $1 billion for "clean technology investments."

For too long, governments have avoided the difficult task of using existing tax dollars efficiently and effectively, instead preferring to simply increase debt and taxes. The CTF will be watching all these new spending initiatives closely, ensuring that governments clearly outline what they hope to achieve and then comparing outcomes to measure their success.



The Teddies

by Aaron Wudrick
Federal Director

The Canadian Taxpayers Federation held its 18th annual Teddy Waste Awards ceremony Feb. 24, celebrating the "best of the worst" in government waste.

Federal Director Aaron Wudrick served as host, joined by the CTF's mascot Porky the Waste Hater and talented hostess Amy. The event took place on Parliament Hill at the Charles Lynch Press Conference Theatre.

The pig-shaped awards are named for Ted Weatherill, a federal bureaucrat who was fired in 1999 for submitting more than $150,000 in dubious expense claims, including a $700 lunch for two in Paris.

With governments' seemingly endless capacity to dream up creative new ways to waste taxpayers' money, the Teddy Awards are a fun way to highlight the serious business of ensuring tax dollars are used efficiently. While there is never any shortage of nominees, this year we whittled them down to 15 finalists in our four categories.

MUNICIPAL

City of Calgary (Winner)

Nominated for: Most Expensive Sewage-Related Art | Cost: $246,000

The city of Calgary requires that 1% of public spending on projects up to $50 million be devoted to public art. So when it came time to replace the Forest Law lift station — a shed on a hill containing pumps that bring waste water to the top so it can flow to the waste treatment centre — council decided to spend an extra $246,000 to embed LED lights that change colour depending on how quickly the station is pumping waste water.

Unveiled in September 2015, the new lift station proved immediately controversial. Whereas the previous lift station was built on the side of a hill, the new lift station sits on the top of a hill, blocking the views of some area residents. The lift station soon became known locally as the "poop palace."

City of Victoria (Nominee)

Nominated for: Most Superfluous Stairwell Upgrade | Cost: $10,000

In September 2015, the city of Victoria announced it would create a "musical stair-climbing experience for parking customers" by installing sensors in the hand railing on the back stairwell of Bastion Square Parkade. When touched, the railings play music and activate LED lights — with different music on each of the parkade's six levels.

City of Saskatoon (Nominee)

Nominated for: Most Prolific Parking System Fail | Cost: $5.3 million

In June 2014, Saskatoon city council awarded Cale Systems a $5.3-million contract to replace its 2,800 park-

ing meters with 325 solar-powered stations. The new system would allow customers to pay for parking with cash, credit or smart cards or with a mobile phone app. The city expected a revenue increase of between $1.1 and $1.3 million from the new system.

Unfortunately, the system has not worked as advertised. The city lacks the legislative authority to mail out parking tickets, so tickets have to be written out by hand, rendering the automatic licence plate recognition system useless. The system has difficulty dealing with Saskatoon's winters: coin slots often freeze shut, screens are slow to respond and snow accumulates on the solar panels, preventing them from generating any power.

Parking revenue is now expected to fall by about $1.7 million.

City of Saskatoon (Nominee)

Nominated for: Most Short-Lived Bridge Decoration | Cost: $462,000

Saskatoon's Traffic Bridge opened Oct. 10, 1907. Nearly a century later, in November 2005, the bridge was closed to vehicle traffic and in February 2006 an engineering report warned the city that it was taking a risk by even letting pedestrians use the bridge. The bridge was repaired and reopened in September 2006, with a renewed life expectancy of 20 years. In September 2007 the city spent $462,000 (twice the original estimate) to install decorative LED lights on the bridge. Unfortunately, the lights had to be repaired on five separate occasions the following year, requiring the closure of the bridge.

In August 2010 the bridge was closed once again with the city's infrastructure services manager stating, "it's still standing, but I can't tell you exactly how it's standing."

In January and February 2016, three spans of bridge were demolished, with one span to be demolished later this year – all with the $462,000 worth of LED lights still attached.

City of Peterborough (Nominee)

Nominated for: Most Ridiculous Severance Payment | Cost: $460,000

Murray Rodd was hired as chief of the Peterborough-Lakefield Community Police (PLCP) in August 2008. In April 2010 he negotiated a new clause in his contract that gave him a year's severance pay if the PLCP were ever dissolved. In December 2012, Peterborough city council approved the creation of a new, city-only Peterborough police. In April 2013, Deputy Tim Farquharson was hired by PLCP and his contract contained the same "dissolution" provision as Rodd's, even though the planned changeover was already approved.

On Dec. 31, 2014, the PLCP was replaced by the new Peterborough Police. Chief Rodd and Deputy Chief Farquharson then sought severance payments pursuant to the "dissolution" clause in their contracts – even though they immediately signed new contracts with the new Peterborough Police.

The Peterborough Police Services Board disagreed with Rodd and Farquharson, so the issue went to ar-

bitration. In July 2015 an arbitrator ordered the board to pay the chief $248,920.96 and the deputy chief $210,329.46 in "severance" within 30 days.

PROVINCIAL

PEI Department of Tourism and Culture (Winner)

Nominated for: Most Uplifting Tourism Guide | Cost: Unknown

Prince Edward Island's Department of Tourism and Culture printed 180,000 copies of its 2015 tourism guide. The cover features a man and a woman relaxing on a sandy PEI beach, with the woman reading a book and the man in shorts lying back and relaxing. Unfortunately, the department clearly failed to notice a bulge in the man's shorts that appears to be an erection.

The online version of the guide had its cover immediately replaced with an image of a lighthouse, but the 180,000 printed copies remain in circulation.

Alberta School Boards Association (Nominee)

Nominated for: Most Expensive (Adult) Easter Egg Hunt | Cost: $41,000

An Alberta School Boards Association (ASBA) document obtained by the CTF revealed that ASBA staff members receive $50 gift cards on top of cake days celebrating office birthdays each month, in total costing $4,850 over the last three years.

For Christmas, ASBA staff members are each treated to a gift costing up to $150 — totalling $7,803 over the past three years — while three years of staff Christmas dinners cost more than $5,000.

The document also outlines an adult staff Easter egg hunt, costing more than $900 in 2014.

Additional ASBA perks included "Taste of Edmonton" tickets for staff costing $1,600 in 2014 and about $1,000 each of the two years prior. "Team building/staff appreciation" lunches also cost $2,696 over the past three years.

Despite having "lovely" offices in Edmonton, the publicly-funded ASBA held staff planning events at some of Edmonton's most upscale locales, including a December 2012 planning session at the Fairmont Hotel Macdonald and a January 2014 planning session at the Royal Glenora, each costing nearly $8,000.

2015 Pan Am Games (Nominee)

Nominated for: Most Expensive Free Salon | Cost: $140,000

TO2015 contracted the high-end Allan Parss Hair Salon at $4,000 per day from July 1 to Aug. 30 to run a temporary salon for Pan Am athletes. The salon provided free haircuts and manicures that included "nail art" of the athletes' national flags. In total, the temporary salon cost taxpayers $140,000.

Sadly, this was just one example of a massive drain on public funds from the Pan Am Games: ticket sales and corporate sponsorship revenue only amounted to $205 million, with taxpayers on the hook for the remainder of the Games' $2.4-billion cost.

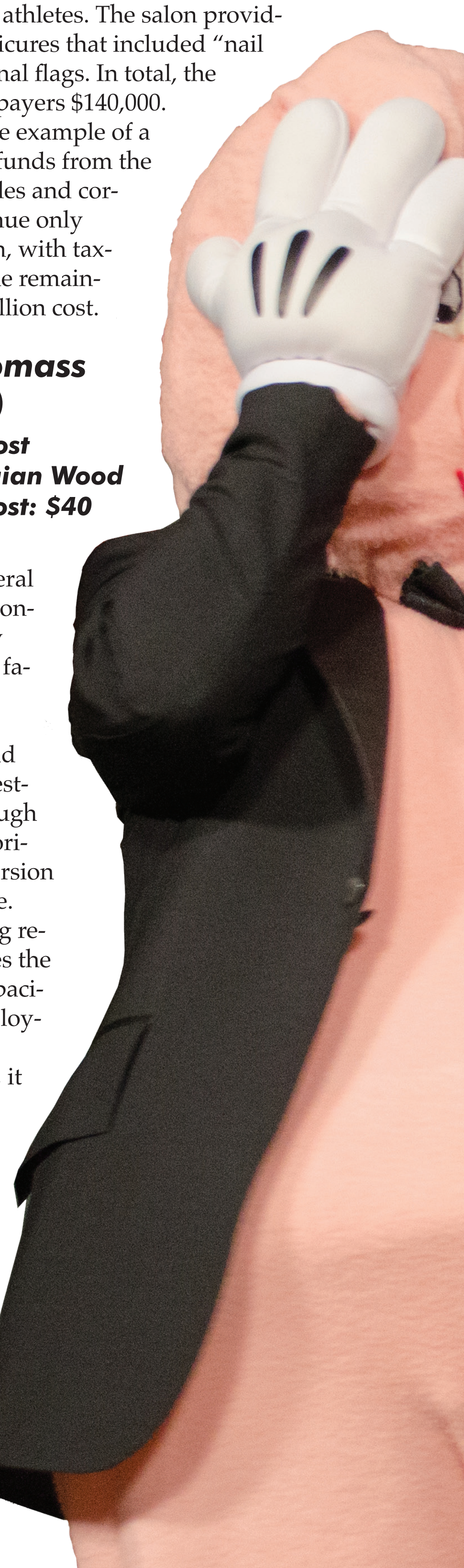
Thunder Bay Biomass Plant (Nominee)

Nominated for: Most Expensive Norwegian Wood (Isn't It Good? | Cost: $40 million (annually)

Ontario's auditor general uncovered the wasteful conversion of a Thunder Bay coal plant into a biomass facility. In 2013 Minister of Energy Bob Chiarelli decided that the plant would be converted to burn forestry by-products, even though the Ontario Power Authority advised that the conversion wouldn't be cost-effective.

The plant is a "peaking resource" that only operates the equivalent of five full-capacity days a year while employing 60 fulltime staff. At a cost of $40 million a year, it will only generate 15,000 MWh, putting electricity costs from that plant at $1,600 per MWh, approximately 25 times more expensive than from the average biomass facility.

The hope was that forestry jobs would be created, but the biomass



plant was not able to use ordinary wood chips readily available in Northwestern Ontario. It is required to import special wood chips ... from Norway.

FEDERAL

2015 Paris Conference Delegation (Winner)

Nominated for: Most Carbon-Intensive Participation at a Climate Change Conference | Cost: TBD (at least $1 million and climbing)

As one its first acts in office, the new Trudeau government greatly expanded Canada's summit-attendance carbon footprint by quadrupling the size of the delegation at the UN's Paris Climate Change Conference in December 2015.

Environment and Climate Change Canada stated that all Canadian participants, including provincial delegations, totalled 283 participants. By comparison, the United States listed 124 participants, the United Kingdom 96 and Australia 46. UN documents from the 2014 conference in Lima list just 69 members in the Canadian delegation.

Full costs for the 2015 conference are not yet available, but in response to initial questions, a spokesperson said the government is providing up to $4,500 to cover transportation and accommodation for the 25 non-government participants — a total of $122,500 — while costs for the delegation from Global Affairs Minister Stéphane Dion's office alone cost $282,000.

British Columbia Green Party MLA Andrew Weaver, a lead author of the UN Intergovernmental Panel on Climate Change reports, declined an invitation to attend. He called the size of the Canadian delegation "really over the top, especially when you consider the vast majority of these people will have no direct input into the actual negotiations." Weaver noted that "it's bitterly ironic to be flying hundreds of people across the Atlantic on 747s and, honestly, how are they all contributing? By enjoying Paris and going to outside events? It's become a big circus."

The Canadian Museum of Human Rights (Nominee)

Nominated for: Most Expensive Party Held at a Museum | Cost: $1.89 million

The Canadian Museum of Human Rights (CMHR) has been a boondoggle from the start. In 2007 the budget to build the museum was $265 million, but it ultimately ended up costing $357.5 million, the majority from public funds.

In 2008, former premier Gary Doer "encouraged" Manitoba's Crown corporations to make a donation towards the project. Like obedient subordinates, the Crowns obliged, donating a total of $4.5 million – a fact the public only learned because someone on the inside leaked the information.

Nonetheless, in September 2014 this over-budget museum opted to spend $1.89 million on opening-weekend events. The plan had called for private sponsors to help offset the cost – but when they couldn't be found, the museum went ahead and spent the money anyway.

Ongoing operating costs for the CMHR are also substantial: In 2014-15, total expenses (ignoring the amorti-

CITY

THURSDAY, FEBRUARY 25, 2016 CALGARY HERALD A9

Sewage art cleans up

Top waste award goes to LED lighting display on Forest Lawn Lift Station

BILL KAUFMANN

The lingering stench of pricey public art on a city sewage station has earned it an annual tax trough trophy, says the lobby group that presented it Wednesday.

LED lighting depicting sewage flow on the siding of the Forest Lawn Lift Station, which the Ca-

city and mountain view, and the expense of the sewage art, said MacPherson.

It's an investment that's badly timed amid an economy marked by layoffs and a prolonged economic uncertainty, she added.

It brings into question the larger issue of required spending on public art to accompany city projects.

"Does it have to be mandatory when we see higher unemployment,

to the city, said Chabot, who added the mandated amount has also been halved recently to .5 per cent of a project's cost.

But he admitted there have been complaints about the appearance of the building itself.

"I started getting feedback right off the bat about its ugliness — the steep-pitched roof isn't reflective of the surrounding area," he said.

BKaufmann@postmedia.com
on Twitter: @BillKaufmannjrn

Paige T. MacPherson, Alberta director of the Canadian Taxpayers Federation, holds the city's Teddy Waste Award.

The

zation of various contributions and assets) were $25.5 million, while operating revenues were only $1.8 million. The CMHR relies heavily on $21.7 million in annual funding from the federal government but was unable to balance its budget even with this assistance.

The "Severance Seven" (Nominee)

Nominated for: Most Lucrative Transition Between Jobs | Cost: $780,000

Seven newly elected Members of Parliament pocketed sums ranging from $30,000 to $324,000 in various transitional allowances from former roles in municipal or provincial politics – in spite of the fact they are now earning substantially more as federal MPs. The seven MPs are:

- Kent Hehr, Liberal MP for Calgary Centre and minister of veterans affairs ($131,000)
- Darshan Kang, Liberal MP for Calgary-Skyview ($132,000)
- Stéphane Lauzon, Liberal MP for Argenteuil-La Petite-Nation ($67,471)
- Jennifer O'Connell, Liberal MP for Pickering-Uxbridge ($48,000)
- Amarjeet Sohi, Liberal MP for Edmonton Mill Woods and minister of infrastructure and communities ($46,150)
- Dan Vandal, Liberal MP for Saint Boniface-Saint Vital (estimated $30,000)
- Len Webber, Conservative MP for Calgary Confederation ($324,000)

Taxpayers are on the hook for these "severance" or "transition" payments even though all seven of these individuals voluntarily left their old positions. This clearly runs counter to what most Canadians expect severance to be for: temporary support to assist those who involuntarily lose their jobs.

Global Affairs Canada (Nominee)

Nominated for: Most Expensive Shipment of Wine and Most Expensive Typo | Cost: $209,000

Canada's High Commission in London, Canada House, celebrated its reopening following extensive renovations by spending $200,000 of taxpayers' money on a party.

CBC News obtained information that shows:

- Shipping Canadian wine by sea to London cost $9,716
- Breakfast buffet cost almost $2,400
- Canadian ribeye beef cost $1,273

16 NEWS

P.E.I. WINS GOL

Island beats stiff competition in governm

OTTAWA — Congratulations, Prince Edward Island!

Canada's tiniest province was a hands-down winner in the Canadian Taxpayers' Federation annual government waste awards.

The province won after it printed up 180,000 copies of a tourism guide with a front cover that featured a nice beach scene with a woman and man, who was sporting an erection.

P.E.I. was the winner in the "provincial" category in 18th annual ceremony put on by the taxpayers group.

"We never have any lack of nominees," CTF federal director Aaron Wudrick said. "It's an endless fight. And while it's a serious issue, we like to have a little fun with it."

Each winner gets a golden hog perched on a pedestal. Few winners, though, bother to collect their prize. Here's this year's crop:

DAVID AKIN
Parliamentary Bureau Chief
david.akin@sunmedia.ca
@davidakin
davidakin.com

PROVINCIAL GOVER

WINNER: P.E.I.'s engorged tourism ad

RUNNERS-UP:
- The Ontario Pan Am Games — swanky hair stylist paid $4,000 a day for athletes. Final bill: $140,000.
- Alberta School Boards

THERE WILL BE HELL TOUPEE!
Taxpayers clipped for Pan Am athlete haircuts
FREEBIES FOR ATHLETES

FEDERAL GOVERNMENT

WINNER: Canada's 2015 COP Paris delegation

AMOUNT WASTED: At least $400,000
The Justin Trudeau government sent 283 delegates to the climate change conference in Paris, some who stayed for a week or more. The U.S. delegation was half that size. The total cost is not yet known but travel and accommodation for just 25 non-government personnel was $122,500 and those for Foreign Minister Stephane Dion and his staff alone was $282,000. Kudos to Andrew Weaver, the B.C. Green Party MLA who turned down an invite. He said he thought it was wasteful to join what he called "a big circus."

RUNNERS-UP:
- The Canadian Museum of Human Rights in Winnipeg — $1.89 million on its opening weekend celebrations.
- The Department of Foreign Affairs — $200,0000 for a party at its renovated London embassy, including $9,716 to ship Canadian wine by sea and $4,000 to fix a spelling error on a commemorative plaque.
- "The Severance Seven" — Seven provincial or municipal politicians who took "transition allowances" when they were elected federally. Six Liberals got between $30,000 and $132,000 each. One Conservative, Calgary's Len Webber, scored $324,000. (Kudos: Conservative MP Gerard Deltell was entitled to a transition allowance from Quebec legislature, but he declined.)

TRUDEAU


The Edmonton Sun ■ THURSDAY, FEBRUARY 25, 2016

DEN HOG

nent waste awards

Prince Edward Island

CANADA

RNMENT

ssociation – $41,000 on erks for staff, including a 900 adult Easter egg hunt nd a $5,000 Christmas dinner. taff members got a $50 gift ard on their birthdays and 150 gift card for Christmas.

■ Ontario's Energy Ministry – $40 million a year on converting a Thunder Bay power plant from coal-fired to biomass. The government ignored the Ontario Power Authority's advice against it. Now it operates just five days a year and, though the plant is in the middle of Canada's boreal forest, it has to import wood chips from Norway for fuel.

MUNICIPAL GOVERNMENT

WINNER:
Calgary is recognized for its "poop palace." The city spent $246,000 to put coloured LED lights on a wastewater treatment centre. The lights change colour depending on how much water is going through the plant.

RUNNERS UP
■ Victoria – $10,000 on a special six-floor stairwell in a municipal parkade. LED lights sparkle on and off when the handrail is touched, and different music plays at each level.

■ Saskatoon – $5.3 million to replace 2,800 parking meters with 325 solar-power pay stations. System doesn't work and, parking tickets have to be written out by hand.

■ Saskatoon – $462,000 in 2010 to decorate a bridge with LED lights, which had to be repaired five times in one year, each repair requiring the closure of the bridge. Earlier this year, the bridge was demolished – with $462,000 worth of LED lights still attached to it.

■ Peterborough, Ont. – Dissolved a police force that served the city and its rural area and replaced it with a city-only force. That resulted in a $460,000 severance payout to the chief and deputy chief, even though they're both hired back in the same roles with the new force.

The Teddies

■ 3,000 invitations cost $10,606

■ Six commemorative gold-plated pewter keys cost $1,470

■ Four Mounties in red tunics cost $4,745

■ A commemorative Canada House publication cost $46,296

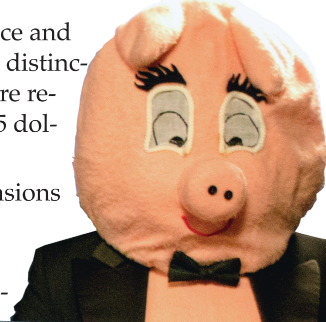
■ Global Affairs (then-foreign affairs) confirmed the total cost of the party at $209,000.

There were also problems with a $16,000 plaque unveiled by the Queen at the event. John Baird is incorrectly listed as foreign affairs minister on the plaque dated Feb. 19, though Baird hadn't been minister since Feb. 3. Even worse, the bilingual plaque had an error in the French spelling of "prime minister." The plaque had to be removed and sent back to the British manufacturer, where the three letters were ground down and three new letters were printed and glued to the plaque at a cost of $4,000.

Lifetime Achievement

Bombardier Inc. (Winner)

Nominated for: A Half Century of Suckling at the Public Teat | Cost: At least $3.8 billion and counting



Montreal-based Bombardier is a multibillion-dollar aerospace and transportation company founded in 1942. It holds the dubious distinction of being one of Canada's longest-running corporate welfare recipients, having taken at least $3.8 billion in public funds (2015 dollars) since 1966. These include:

■ $1.1 billion from the federal government on 49 separate occasions between 1966 and 2009;

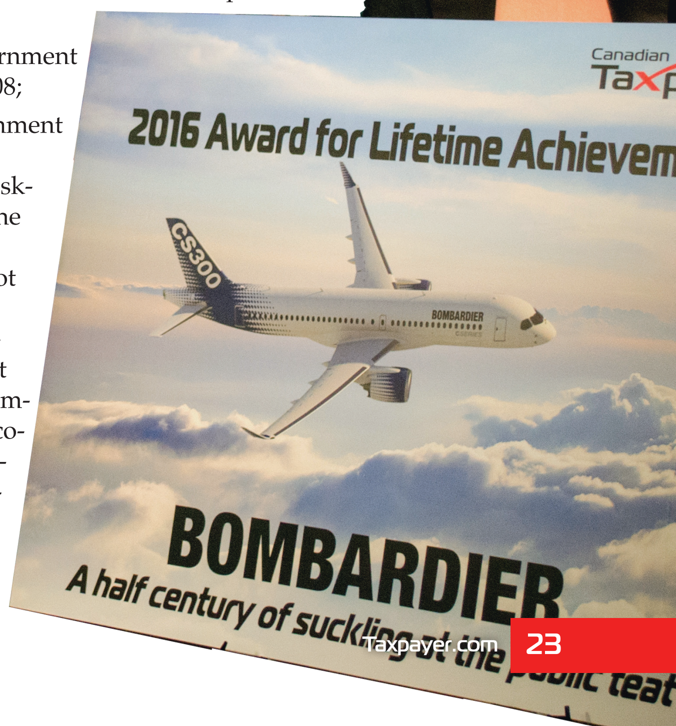
■ $1.1 billion from the federal government to de Havilland Canada (acquired by Bombardier in 1992) on 35 separate occasions between 1972 and 1996;

■ $300 million from the government of the United Kingdom in 2008;

■ $1.3 billion from the government of Quebec in 2015.

Bombardier is currently asking for $1 billion USD from the federal government.

Bombardier is certainly not the only Canadian company surviving on taxpayer handouts, but it is one of the most prominent and long-term symbols of a fiscally wasteful, economically distorting and politically manipulative strategy of subsidizing failed private companies with public dollars.



L to R: Scott Hennig, VP, Communications, Melanie Harvie, Executive VP and CTF President Troy Lanigan

World Taxpayers Associations members

Troy visiting the Brandenberg gate in 1987 and 2016.

CTF VP, Communications Scott Hennig presenting at WTA session

Battling for taxpa

The 2016 World Ta

by Scott Hennig
VP, Communications

It's easy to fall into the trap of thinking that Canadian taxpayers are going it alone in the world. Yet, every couple of years at the biennial World Taxpayers Conference (WTC), taxpayer organizations from around the world gather to share their own taxpayer horror stories and strategize how best to make changes to their respective countries.

Long-time readers of *The Taxpayer* magazine will recall the Canadian Taxpayers Federation hosted the world in 2014 for the last meeting of the World Taxpayers Associations (WTA). This time it was a joint effort of the Taxpayers Association of Europe and the German Taxpayers Association (Bund der Steuerzahler Deutschland e.V.). Our German counterparts smartly partnered up with European Resource Bank, Americans for Tax Reform (ATR) and Atlas Foundation to combine other annual events to maximize attendance and participation.

This year's WTC also featured many impressive speakers. Some of the highlights included Prof. Neville Norman of the University of Melbourne presenting on taxation limits, Prof. Martin Wenz on Liechtenstein's tax reform model, Mark Littlewood of the Institute of Economic Affairs on how we can't tax our way to prosperity and James Delingpole on global warming.

Workshops featuring speakers like Grover Norquist of Americans for Tax Reform, David Williams of the Taxpayer Protection Alliance, Dr. Barbara Kolm of the Austrian Economic Centre and Jag Singh of MessageSpace (UK digital campaign company) presenting on topics such as fundraising, crisis communications, emerging tax threats around the world, intellectual property rights and social media. These workshops were a great opportunity to pick up tips and best practices.

I'm happy to report that CTF staff are already working on replicating ideas picked up at the conference.

In all, more than 250 participants from over 40 countries on five continents were represented at the WTC in Berlin.

And your CTF was front and centre.

I had the pleasure of presenting a case study on the CTF's NoTransLink Tax referendum victory. The CTF's executive vice president, Melanie Harvie, is not only the WTA's assistant sec-

CTF Pr
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L to R: Outgoing WTA President Staffan Wennberg, Mark Dodds, President of Taxpayers Australia and Troy Lanigan

yers in Berlin:

xpayers Conference

retary, but also acts as the organization's auditor. However, it was CTF President Troy Lanigan who wore the most hats in Berlin.

For the past few years Troy has been the vice-chairman of the WTA. In Berlin, at the general meeting of the WTA, he was elected chairman and president of the WTA. He is only the fourth chairman of the WTA since its founding in 1988 and the first Canadian to fill the job.

Troy also presented twice on fundraising, officially opened the World Taxpayers Conference, chaired a session on the collapse of the Soviet empire by Cato Institute Senior Fellow Richard Rahn and was the MC for the conference's closing dinner.

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Troy chairs a board of directors of the WTA that has leaders from Australia, Germany, Tanzania, China, Korea, France and the United States. Nearly 70 organizations are now members or observers of WTA.

When asked what he hopes to accomplish over the next three years, Troy said "one big goal would be to work toward 100 taxpayer advocacy groups worldwide. I'd like too for established groups to partner with less established groups to support and nurture development. We'll also be encouraging regional meetings such as one upcoming this June in Ghana for our African leaders. Overall it's communication, best practice exchanges and support for emerging efforts. The WTA has come a long way since its founding with a handful of groups in 1988. I'm honoured to play a role."

The WTA also confirmed the 17th World Taxpayers Conference will be held in 2019 in Melbourne, Australia. The WTA made the decision to move the date of the conference out a year in order to coincide with the 100th anniversary of the host organization – Taxpayers Australia (interestingly, the oldest taxpayer organization in the world).

For those interested in the work of the WTA its website is worldtaxpayers.org. t

Troy Lanigan opening the WTA conference

Meeting of the World Taxpayers Association's African committee

You asked for it?

Al Romanchuk from Edmonton, AB, asked: I keep seeing claims that refugees get larger benefit payments than seniors. Is that true?

> "The amount of the benefit is guided by the social assistance rates in the province in which they are settling. For a refugee in Vancouver that means $734 per month; it's $811 in Toronto and $616 in Halifax."

Jeff Bowes, Research Director, answers:

by Jeff Bowes
Research Director

Thanks for your question, Al. This claim is one that has made the rounds for many years. In fact, on these pages in the September/October 2005 edition, one of my predecessors, Adam Taylor, answered this question based on what was happening at that time. Some things have changed over the past decade, so it's my pleasure to dig into this issue again and check out some of the claims.

The genesis of most of the claims that refugees are treated better than seniors seems to be an article published in the *Toronto Star* in 2004 and a letter to the editor published in response to it the next day. The letter to the editor contained a big mistake: it added together a one-time benefit and a monthly allowance and claimed that this huge payment was given to refugees every month.

It wasn't true then and it still isn't.

Unfortunately, chain emails and Facebook posts keep spreading this mistake across the country. Many of these emails have updated the numbers but the initial calculation error persists.

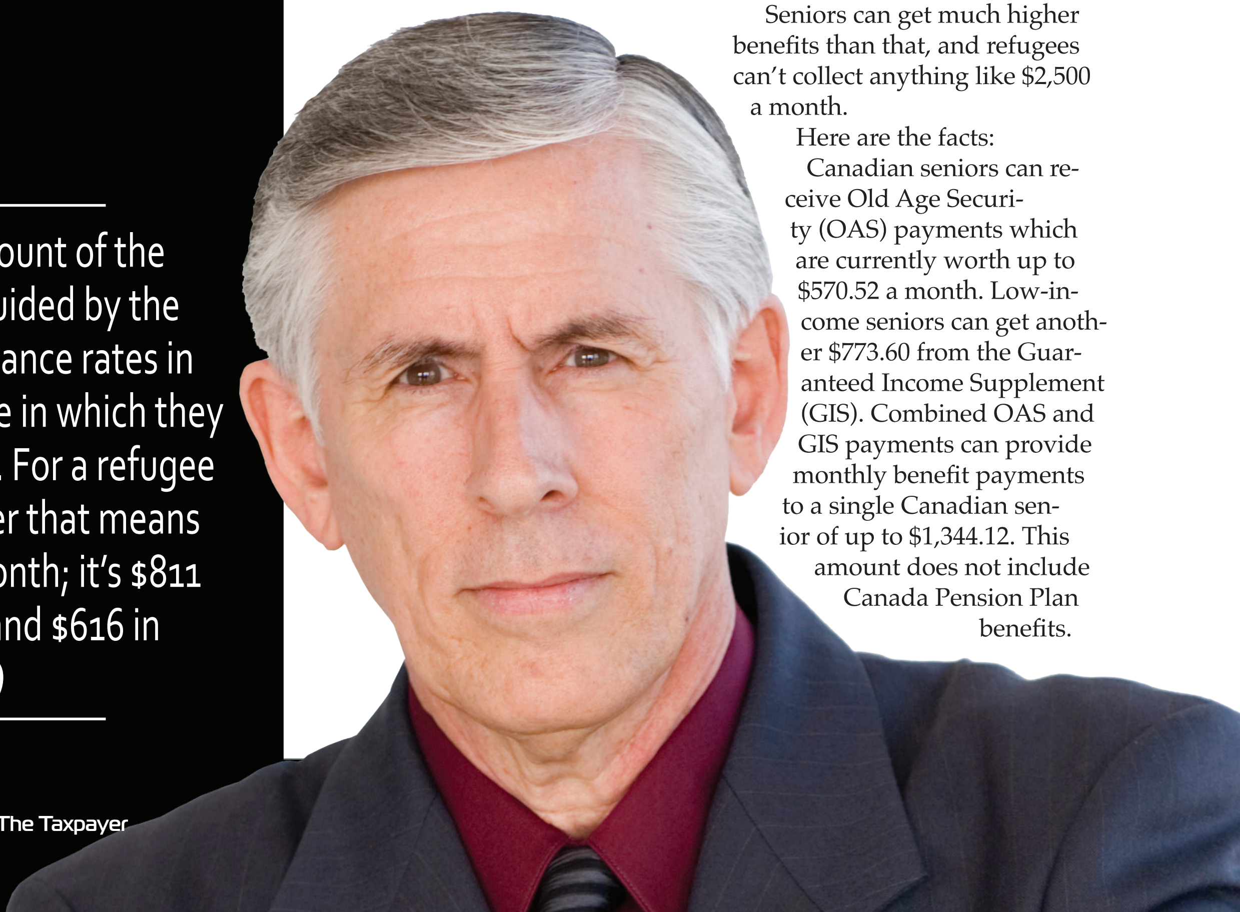
Many people, including the *Toronto Star*, have tried to correct the misconception over the years. Ironically, however, the *Toronto Star* recently published a version of this urban legend again. A letter to the editor in December 2015 read "Canadian seniors who worked and paid taxes all of their lives are worth only $550 a month, but soon-to-be-voting refugees will get $2,500 a month plus benefits."

This just isn't true.

Seniors can get much higher benefits than that, and refugees can't collect anything like $2,500 a month.

Here are the facts:

Canadian seniors can receive Old Age Security (OAS) payments which are currently worth up to $570.52 a month. Low-income seniors can get another $773.60 from the Guaranteed Income Supplement (GIS). Combined OAS and GIS payments can provide monthly benefit payments to a single Canadian senior of up to $1,344.12. This amount does not include Canada Pension Plan benefits.



> "The letter to the editor contained a big mistake: it added together a one-time benefit and a monthly allowance and claimed that this huge payment was given to refugees every month."

Higher-income seniors do not qualify for GIS and may have some of their OAS clawed back, but the $1,344 amount is a fair comparison, since benefit payments for seniors and refugees are both intended to target those with low incomes.

As for refugees, they can get income support from the government through the federal government's Resettlement Assistance Program. The rates depend on the refugee's family circumstances but for an apples-to-apples comparison we will look at the rates for a single person. Refugees can also receive financial assistance for what the government calls "immediate essential services." It is those "immediate essential services" that often cause the confusion.

Monthly benefits are limited to one year and usually only for government-assisted refugees (43% of refugees are privately sponsored). The amount of the benefit is guided by the social assistance rates in the province in which they are settling. For a refugee in Vancouver that means $734 per month; it's $811 in Toronto and $616 in Halifax. Across the country there are similar levels of support, all considerably less than the $1,344 per month for seniors.

The one-time "immediate essential services" benefit provides funds to refugees who fled to Canada and now have almost nothing. The government helps them with some money to buy the basics.

Refugees can get a one-time basic household needs allowance of $1,330 to buy such items as beds, tables, chairs, pots, plates, kitchen utensils and brooms. They can get another $175 (one-time) to buy cleaning supplies and to stock their new home with food. They can also get up to $500 (once) to buy clothes, including winter clothes to prepare them for Canada's harsh climate. With some extra help for phone and utility setup, it can total a one-time maximum payment of around $2,065.

There's no question that this is a big government benefit, but it's a one-time payment to cover costs, and it's only for those refugees who have very few belongings when they arrive. Refugees have to declare all their assets, and if their assets are worth more than $5,000, the one-time benefit is reduced.

Another point to keep in mind is the difference between refugees and immigrants, since only refugees are eligible for the one-time benefit or the monthly support. In 2016, the government plans to bring in 24,600 government-assisted refugees who can potentially collect the benefits mentioned in this article. In comparison, the government plans to bring in 300,000 economic and family immigrants. Coming to Canada as an economic immigrant is a competitive process based on a points system that accounts for language skills, education, experience, age, adaptability and job prospects. The process for refugees is very different; they are eligible to come to Canada based on their fear of persecution or because they are fleeing armed conflict.

A final point to consider is the overall size of the programs. There are a lot more seniors in Canada than refugees. More than 5.6 million Canadian seniors collect OAS, costing taxpayers $47.9 billion a year. Spending on the Resettlement Assistance Program will be a little over $172 million in 2016-17, with approximately $40 million more in grants for Quebec to run its own programs. Altogether, the Resettlement Assistance Program costs the government around 0.4% of the cost of OAS.

Thanks again for your question, Al. We at the CTF welcome the debate over whether refugees and seniors receive too much or too little government assistance. But that debate must start by putting all the real numbers on the table.

Want the CTF to tackle your question? Ask for it by e-mail at: research@taxpayer.com

Celebrity support for Generation Screwed

by Aaron Gunn
Generation Screwed
Executive Director

As it turns out, Generation Screwed has been successful in reaching out to more than just young people on university campuses. Tyson Barrie, defenceman for the Colorado Avalanche and Team Canada in 2015, recently became interested in the Generation Screwed movement, along with some of his fellow teammates.

"It's shocking to see just how much debt is being left to young people to deal with," said Barrie. "Each generation should make an effort to leave the country, and world, a better place than how they found it, or at least that's my opinion."

Eager to get engaged and support the new initiative, Barrie donated and signed one of his official Team Canada jerseys, which Generation Screwed would later give away at the 2016 Manning Conference.

Thank you Tyson for all your support.

Club spotlight: McGill University

Across the country, Generation Screwed coordinators work tirelessly to raise awareness of debt, deficits and unfunded liabilities. Two such coordinators, Portia Proctor and Janelle Brown-Walkus, have been very successful, hosting events, distributing literature and recruiting new students to the cause. Throughout this past academic year Portia and Janelle signed up more than 100 new Generation Screwed supporters on McGill's campus, volunteering hours upon hours of their time to ensure the club's success.

But their accomplishments did not fall from the sky. In addition to being two incredibly talented young women, both Portia and Janelle attended Generation Screwed's summer retreat, where they gained valuable insights and acquired the essential skills necessary to conduct activism on their campus.

"My involvement in the movement has been a very rewarding experience," Janelle said when asked to reflect on her time with Generation Screwed. "Particularly the summer retreats, with their combination of learning, competing and meeting so many like-minded coordinators from across the country."

On the event front, Portia and Janelle were excited to welcome the CTF's Aaron Wudrick to McGill last November, when he discussed the dangers of deficit spending and the harm it can cause to future generations of taxpayers. In February, the two coordinators held their most ambitious event to date, hosting Montreal-area mayors Georges Bourelle and William Steinberg, who explained the unique challenges they faced balancing budgets at the municipal level.

"Being a campus coordinator for Generation Screwed at McGill has been an extremely fulfilling experience," said Portia Proctor. "In promoting the voice of future generations through tabling at Activities Night, by hosting events to raise awareness on the debt crisis, and through representing Generation Screwed at the 2016 Manning Centre Conference, we have successfully connected with a diverse range of students from across Canada and educated them about our campaign."

Making a splash at Manning

Each year, one of the key advocacy dates for Generation Screwed falls at the end of February during the annual Manning networking conference in Ottawa. It is here that adherents (or in some cases alleged adherents) of fiscal responsibility and restraint gather to discuss a myriad of different political issues including government debt and deficits. For the past two years, Generation Screwed has made a point of bringing its tough-on-debt agenda to the forefront of the conference's public policy debates. This year was no exception.

A record number of Generation Screwed student coordinators attended the event – 12 in total – taking turns staffing the movement's advocacy booth located prominently in the foyer. Once again Generation Screwed provided some of the event's most talked-about visuals, including a large advocacy poster that highlighted how much government debt each Canadian child is born into. Coordinators encouraged conference attendees to snap a photo with the innocent child while holding up a message for politicians. One such attendee was well-known investor and entertainment personality Kevin O'Leary, who posed with coordinators to show his support for our movement. The message he chose to send to politicians? "Stop screwing over future generations."

Standing up for what's right

A panel at the Manning Conference was of obvious interest to Generation Screwed: "Debt, Deficits and Deceit." Featured on the panel alongside Ian Brodie (Stephen Harper's former chief of staff) and Marco Navarro-Génie (of the Atlantic Institute for Market Studies) was Generation Screwed's very own Executive Director Aaron Gunn. Below is a short excerpt of his speech. You can watch his full presentation online at www.youtube.com/Generation-ScrewedCdn.

> "It's like driving up to the window with your $5 in hand to cover your double-double and Boston Cream, only to be told the guy ahead of you didn't pay for his coffee and doughnut — and now you have to pay for it."

"You know how at Tim Hortons drive-throughs people often pay it forward? You drive up to the window only to find out the anonymous stranger in the car in front of you paid for your coffee and doughnut. It's always a pleasant surprise. Well this is the exact opposite. It's like driving up to the window with your $5 in hand to cover your double-double and Boston Cream, only to be told the guy ahead of you didn't pay for his coffee and doughnut — and now you have to pay for it, as well as your own. It's simply not fair." t

Indigenous & independent

by Joseph Quesnel

More money won't solve all the problems

by Joseph Quesnel

The Liberal government's new budget, in many important ways, does not actually address the systemic problems facing First Nation communities.

The federal government stated that the massive injection of funds was intended to "bring about transformational change."

The 2016 budget proposed to invest $8.4 billion in indigenous communities over five years, beginning in 2016-17. The writers of the budget are quick to point out that it includes a much larger investment than the one contained in the Kelowna Accord — the Martin Liberals' failed multi-billion-dollar commitment.

No one denies that some investments are quite necessary on the indigenous file. New funds for safe drinking water infrastructure, schools, child welfare and emergency shelters for women facing violence, for example, are all urgent. However, by and large, this budget did not address some of the important systemic barriers to aboriginal prosperity. Although the budget did provide laudable funds for commercial fisheries and Metis economic development, it did not fundamentally address what one report is calling the "capital crunch" facing First Nations.

In February 2016, the Public Policy Forum (PPF), an independent non-profit, released a study called Improving Access to Capital for Canada's First Nation Communities.

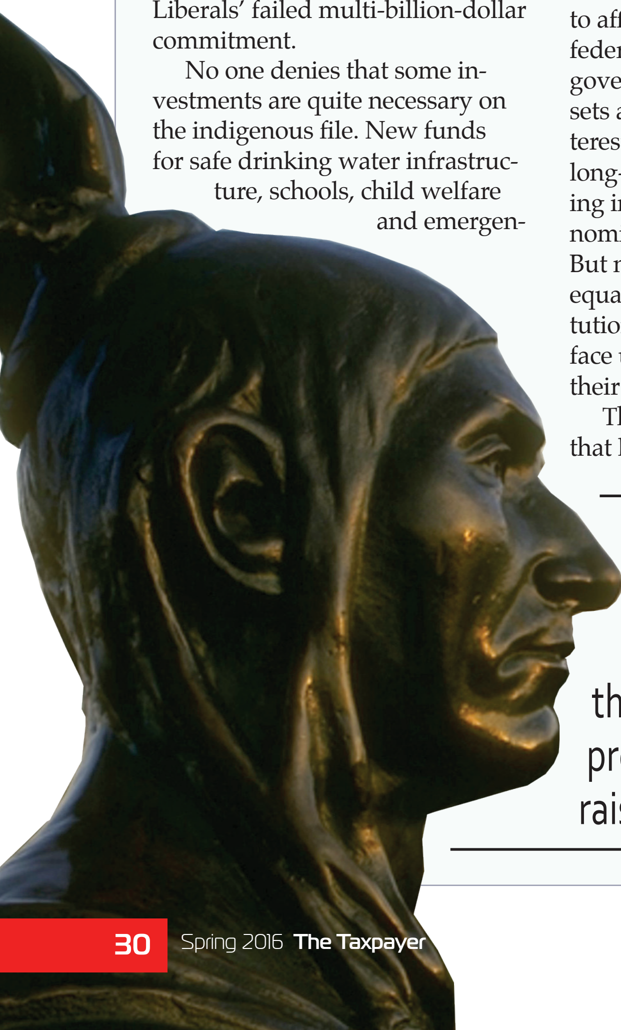
The report lays out the fundamental problem facing First Nations: "Canada was built by access to affordable capital. For decades, federal, provincial and municipal governments leveraged their assets and borrowed with low interest to build for the future. As long-term infrastructure spending increased, so did the socio-economic prosperity of the country. But not all Canadians benefitted equally. Unlike other public institutions, First Nation governments face unique limitations that inhibit their ability to access capital."

The report identified barriers that limit First Nations' access to capital as a huge impediment to economic growth and poverty reduction on reserves. The budget made one commitment that aimed to address this "capital crunch." The budget pledged a $20-million commitment over two years to the First Nations Finance Authority, a non-profit that allows qualifying First Nations to work together to issue bonds and raise long-term private capital for infrastructure and economic development-oriented projects.

Beyond this, there is little else. The PPF report addresses the elephant in the room. It says that unlike other business enterprises across the country, First Nations are seriously limited in their undertakings because they can't use their own property as collateral to raise capital. Unlike past Conservative commitments, the inaugural Liberal budget mentions nothing about legislation to provide fee-simple ownership for First Nations communities that choose to adopt it, or any plans to review and modernize the *Indian Act* so that First Nations can use land as collateral.

Ravina Bains, the associate director of aboriginal policy studies for the Fraser Institute, wrote recently that secure property rights could also help explain why off-reserve housing is so much better than on-reserve housing. So, although this budget included significant commitments to aboriginal housing it may be avoiding an obvious solution to the problem.

This budget is large on social programs and small on systemic reform. First Nations communities need good jobs for the future; still more government spending



"First Nations are seriously limited in their undertakings because they can't use their own property as collateral to raise capital."

Indigenous & indepe

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does not create the conditions for economic growth on reserves. This budget should have emphasized ways to escape the *Indian Act*, such as the *First Nations Land Management Act* (FNLMA), legislation that allows bands to manage their own reserve lands. Sadly, no monies were allocated to bringing more bands under the FNLMA.

A new study by the C.D. Howe Institute suggested that modern treaties and self-government agreements have boosted incomes and increased resource development in indigenous communities. But, again, no extra monies are put towards negotiating more agreements.

The flaw in this budget really is its assumption that more spending is the answer. But, new data from the Fraser Institute show that both the federal and now provincial governments are funnelling ever more money into reserves with little to show for it. The study found that from all the 30 federal departments and agencies (not just Indigenous Affairs Canada) that distribute money, spending on First Nations is close to $13,000 per capita. The entire budget for non-aboriginal Canadians is $7,295 per person per year.

Notwithstanding the necessity of more funding in critical areas, spending is not going to solve many of the ongoing problems. In fact, it will make it worse in some areas.

The PPF report also points out that the key to improved indigenous governance is transparency and financial accountability if bands want to secure critical outside investment. However, the Liberal government has moved to stop enforcement of the much-needed *First Nations Financial Transparency Act*, legislation that forced bands to open up their

> “New data from the Fraser Institute show that both the federal and now provincial governments are funnelling ever more money into reserves with little to show for it.”

books to their members and the public. The budget avoids any mention of transparency in reference to First Nation governments or anything to do with strengthened indigenous governance, identified by the PPF report as a key to improved on-reserve socio-economic outcomes.

The report also demands investments in First Nation education and training, especially in financial literacy. While the budget invests in schools, it falls short on skills and training. Federal politicians are quick to point out that with the aging workforce, the economy will need more workers. Indigenous populations are young and growing, perfect for these new opportunities. However, as the Fraser Institute points out, only 0.2% ($15 million) of the $8.4 billion allocated to indigenous peoples actually went toward their skills and employment training. The priorities of this government are evident in noticing that aboriginal political organizations will be receiving $96 million in this budget.

If the new government is seriously committed to transformational change, it needs to address the “capital crunch” in these communities. Indigenous politicians may be happy with this budget, but they have jobs, unlike so many in their communities. t

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A Metis, Joseph Quesnel is the former editor of the Winnipeg-based Aboriginal newspaper *First Perspective* (www.firstperspective.ca) and a regular contributor to the *Winnipeg Sun*. Based in Antigonish, Nova Scotia, he is currently a senior fellow with the Fraser Institute. Joseph is a long-time advocate for limited government.

5 things to know about the 2016 BC budget

by Jordan Bateman
BC Director

The BC Liberal government, led by Premier Christy Clark and Finance Minister Michael de Jong, brought down the 2016-17 BC budget, and there wasn't a lot of good news.

Here are the five things taxpayers need to know about the BC budget.

1. MSP rates are going up. Again.

On the Medical Services Premium (MSP) tax, de Jong borrowed a marketing gimmick from the playbook of family restaurants everywhere: "Children now MSP free!"

But the numbers don't lie: the taxman will collect $124 million more in MSP taxes next year, with tax hikes for people making far less than the average provincial income.

Married with kids? You may think from those budget headlines that you'll see a break on your MSP tax next year. Not true. If your household brought in more than $51,000 last year – and remember, the average provincial income is $74,150 – you'll actually pay more. Another $72 over the year, bringing your monthly MSP bill to $156.

Senior couples making more than $51,000 a year will feel an even harder pinch: their monthly tax will jump from $136 to $156 – a tax hike of $240 next year. Couples, without children, making $45,000 per year will see the same jump.

Even if you make less than $51,000 and pay less MSP next year, this reprieve is a temporary one: the BC Liberals show no sign of straying from their plan to raise this tax every single year.

If de Jong had been completely forthright about the MSP tax, the line would have been: "Kids eat free, but we've jacked up adult meal prices for the 15th straight year. You're welcome."

There was a glimmer of hope for taxpayers on MSP: The BC Liberals are finally admitting that there is a problem with the tax. The changes to help single-parent families and the "kids are MSP free" gimmick prove they're feeling the heat. Next year's budget comes just three months before the provincial election. Could we see the unfair MSP tax system changed then?

2. Operating debt is declining, but capital debt is climbing. Bottom line: More debt.

While the operating portion of the BC budget is balanced for the fourth straight year, the government continues to borrow more money to build things. Over three years, the debt will jump from $65.3 billion to $71.9 billion. That means our provincial debt is growing more than

half a billion dollars every quarter.

The BC Liberals deserve partial credit for paying down to near-record levels the direct operational debt (the money borrowed over the decades when the operating budget was in the red). However, the continued growth of overall debt should deeply concern taxpayers.

It's time for the BC government to come forward with a truly balanced budget – one where the debt stops increasing.

3. The new, $100-million Prosperity Fund is peanuts.

As promised by Clark in the 2013 election campaign, the government has set up a new Prosperity Fund, designed to capture potential Liquefied Natural Gas (LNG) royalties and pay down debt.

Unfortunately, there are no operating LNG plants in BC, so there is no gas money to put into it. Instead, the province has set aside $100 million from its 2015 surplus to get the fund going.

To put that number into perspective, BC's $100-million Prosperity Fund is like a family making $90,000 a year putting $200 into a rainy day fund. While it's always nice to have savings, it's a pittance in the overall scheme of things.

Photo: Tom Magliery/Flickr/Creative Commons

Write-offs at ICBC salvage yard.

4. ICBC lost money this year.

It's tough for government monopolies to lose money, but ICBC is doing just that this year. The final numbers are still being crunched, but the insurance corporation is projecting a $125-million loss for last year. That's the only annual loss posted among the big four Crown corporations (BC Hydro, ICBC, BC Lotteries, and Liquor Distribution) in the past 10 years.

ICBC continues to raise insurance rates year after year, yet it is still losing money. It's time for the BC government to take a hard look at what is happening in the corporation – and begin to get out of auto insurance altogether.

5. The government wants to yell "Cut!" on film subsidies.

Minister de Jong announced that negotiations are underway to limit the film tax credit, which is costing taxpayers nearly half a billion dollars per year. With the Canadian dollar in free fall, the film industry in BC is booming by double-dipping on the exchange and our overly generous subsidies.

Over the past five years, the BC government cut cheques for $1.5 billion in film subsidies to mainly US companies. That's more than taxpayers spent on the ministries of aboriginal relations, agriculture, and environment – combined. As if that wasn't enough, the federal government jumped in with $1.73 billion more country-wide.

Even with every conceivable tax spinoff included, experts estimate the provincial treasury only got back, at most, half of what it paid out. While the industry touts overall "economic spinoff," the truth is this money simply isn't rematerializing in the treasury. This means BC taxpayers have lost roughly $750 million on this industry over five years – money that could have been building schools or hospitals, paying down debt, or coming back to us in Medical Services Plan tax cuts.

After calculating every spinoff possible, the provincial treasury got only half back from subsidies paid to the film industry.

British Columbians should want a strong film industry, but not one wholly reliant on taxpayer dollars. Hopefully de Jong seizes the opportunity that comes with a low Canadian dollar to force the industry to become self-sufficient. t

Alberta's history shows NO PRIZE PIG for

by Paige MacPherson
Alberta Director

In recent Canadian history, Alberta has been viewed as a land of opportunity and relatively sane fiscal policy.

But it hasn't always been this way, and unfortunately Alberta's new NDP government is keen on repeating the mistakes of the past. Between unsustainable spending and corporate welfare, Albertans have seen this movie before.

Alberta has experienced lower points in its economic history than most Canadian provinces. In fact, Alberta is the only province to have defaulted on its public debt.

In the early 1930s, Alberta's largely agriculture-based economy was experiencing a significant lag and heavy debt load, even before entering the Great Depression. The Social Credit Party under William Aberhart was elected and set out to seize control of the financial system and dish out monthly payments to Albertans.

A massive number of residents hurried to cash in Alberta Savings Certificates – government bonds held by individuals. As provincial auditor James Thompson put it at the time, they were "well aware that we have a very large public debt and know that it takes a large portion of our revenue to meet the service charges on the debt that we already have."

In 1935, the government defaulted on its maturing bond principal, unable to secure a loan from the Dominion (federal) government. Nine years later, Alberta had defaulted on its $33.4 million in principal debt and $28.6 million in interest. The government failed to repay the debt. It couldn't even pay the bills.

In the early 1990s, interest payments on the debt again became the elephant in the room, crowding out people and investment. In 1992-93, debt interest payments were costing taxpayers $1.4 billion annually.

Then-premier Ralph Klein acknowledged that the province's debt had become a big problem. Money spent on debt interest payments is money delivering zero value for taxpayers – it's just making the minimum payment on the taxpayer charge card.

The Klein government kicked the province's deficit addiction, making difficult choices to reduce spending by 20%.

Today, as Alberta's debt grows fast and furiously (currently over $19

Alberta must roll back bl

Facing a snowballing deficit, it's time to discuss rolling back government employee compensation in Alberta.

Government employee salaries account for nearly one of every two dollars spent by the province.

In January, the Alberta government froze the wages of non-unionized government employees. This was a step in the right direction, but the savings are ultimately a drop in the bucket.

The wage freeze represents a savings of 0.1% of what taxpayers will spend this year on the 200,445 employees in the Alberta Public Service.

The CTF has called for a 10% rollback in government employee compensation across the board, saving taxpayers $2.5 billion.

Expenses must also be a part of this discussion, particularly for those living high on the hog in Alberta's entitlement class.

Take former Calgary Health Region executive Jack Davis, whose recently revealed expenses (which he reportedly fought to keep under wraps) show big spending on first-class flights, pricey dinners, massages and hotel

> “In the name of ‘economic diversification,’ in the 1970s and 80s the Alberta government ‘invested’ in all sorts of industries. From meat-packing to an airline, clothing, golf courses – you name it. Taxpayers lost billions of dollars...”

fiscal prudence

billion and growing to $56 billion), interest payments on the debt will grow too, eventually bringing the province to a breaking point where cuts will have to be made. Those cuts can be more moderate if we make them today, rather than letting the problem – that elephant in the room – grow larger and larger.

Sadly, the Alberta government has also not learned from history when it comes to the province’s corporate welfare history.

“Economic diversification,” “value-added jobs,” “innovation partnerships,” and other government gobbledygook that translates as “corporate welfare” should send taxpayers running.

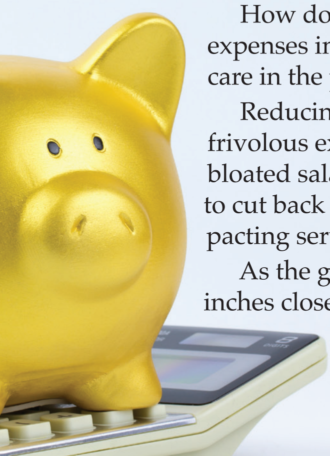
In the name of “economic diversification,” in the 1970s and 80s the Alberta government “invested” in all sorts of industries. From meat-packing to an airline, clothing, golf courses — you name it. Taxpayers lost billions of dollars, some of which they’re still paying for today.

Current Alberta Premier Rachel Notley is pushing hard for “economic diversification,” likely setting up Albertans for economic losses in the near and distant future. But she is definitely crossing the line between what government should and shouldn’t be involved in. At the same time, the provincial deficit, debt — and yes, debt interest payments – are spiralling out of control.

Instead of yet another costly government review before bringing in yet another policy that will hurt countless taxpayers, the Alberta government should simply flip through a history book. Otherwise, we’re pressing rewind on some of the worst films in Alberta’s past. t

oated compensation and expenses

room perks. This was on top of his $1.2-million taxpayer-funded salary and shocking $5.7-million golden handshake on his way out.



How do any of those expenses improve health care in the province?

Reducing spending on frivolous expenses and bloated salaries is a way to cut back without impacting services.

As the government inches closer to negotiations with the province’s teachers union, teachers cannot be immune from necessary rollbacks.

Alberta teachers are extremely valuable, and the role they play in society is vital. But compensation for teachers alone accounted for $4.2 billion in 2015. Alberta teachers are the highest paid in Canada.

According to the World Economic Forum, Canadian teachers overall are the third-best paid in the world.

Rolling Alberta teachers’ salaries back by 10% would still leave them about $4,000 above the national average.

At the starting salary, Alberta teachers make 18% more than BC teachers, and 22% more at the top end.

A 2014 BC Teachers Federation cross-provincial comparison placed Alberta teachers at the top of the salary heap. At the maximum level Alberta teachers averaged $99,004 in 2013-14.

Teachers’ salaries and those of many other government employees have become a sacred cow in Canada. It’s imperative that in Alberta we push the rhetoric aside and make spending reductions to control our debt. Otherwise, we’re shovelling that debt burden squarely onto the backs of future generations.

The incredible SHRINKING government

by Todd MacKay
Prairie Director

It was predictable, but still impressive. Brad Wall's Saskatchewan Party won the April 4 election with 62.5% of the vote, taking 51 of 63 seats. The party has received an average of 59% of the vote in the last three elections. To put that in perspective, NDP icon Tommy Douglas got an average of 52% of the vote in his first three elections and never more than 54%.

The NDP descent is even more remarkable than the Sask. Party ascendance. This election gave the socialists their lowest percentage of the vote since 1938 and for the second consecutive time their leader failed to win his own riding.

The change goes deeper than popularity or tactical campaign prowess; the people of Saskatchewan have changed. For decades every problem prompted calls for big-government solutions. Now people in Saskatchewan are looking for a smaller government.

Former Sask. Party leader Elwin Hermanson mused about hypothetical scenarios that might justify privatizing Crown corporations in 2003. The privatization idea was considered blasphemous. He lost.

Things have changed.

The Sask. Party announced sweeping changes to Saskatchewan's liquor retail system prior to this election. Forty government liquor stores would be turned over to the private sector. The remaining stores would compete on a level playing field under the same regulations and pricing structures.

The NDP and its union allies again decried the blasphemy of privatization. They ran huge attack campaigns on TV, radio, social media and through direct mail. But this time they lost.

The Battlefords is a perfect example. Its liquor store will be turned over to the private sector. It's also been a NDP seat up until the 2011 election. If the people opposed liquor privatization, the Battlefords is a place where the Sask. Party would pay a price. Instead, Sask. Party support went up by 9%.

The change goes far beyond buying a six-pack. The Sask. Party government established private clinics to do hip replacements and it's allowing people to pay for MRIs and CT scans. Changes once considered unthinkable are now met with a shrug.

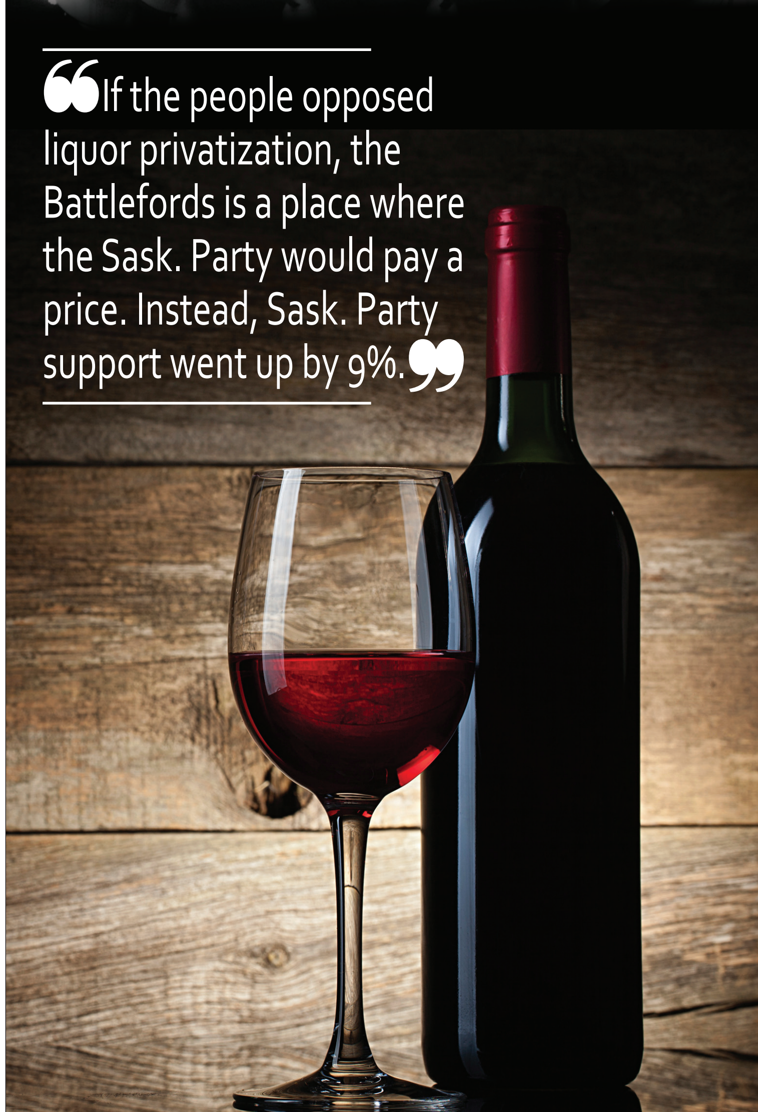
It's even more interesting to consider points of agreement.

Both the Sask. Party and NDP say slaying Saskatchewan's deficit is a priority. While other elections across Canada have seen all parties committed to billions in new spending, both parties in Saskatchewan made only a few modest promises and many of them were counterbalanced by proposed cuts. Clearly, Saskatchewan's political class understands that taxpayers don't want elections to be bidding wars with their money.

Saskatchewan still has prob-

Photo Mark Kowalski/Flickr/CC

North Battleford water tower



> "If the people opposed liquor privatization, the Battlefords is a place where the Sask. Party would pay a price. Instead, Sask. Party support went up by 9%."

lems. Brad Wall's government is running an operational deficit in addition to borrowing for infrastructure. The Saskatchewan government is spending more per capita than the Manitoba government. The oil patch is suffering from low prices and those problems are rippling throughout the economy.

But Saskatchewan has changed. People no longer call for big government solutions. Shrinking the size of government is viewed as common sense. And the results are clear at the ballot box.

Debt repayment based on hope and prayer

Here's a fun experiment. Go to the bank. Tell the mortgage broker that you'll be putting money into your savings if oil goes over $75 per barrel. And then, when the savings accounts are all topped up, you'll start making mortgage payments. What could go wrong with a plan like that?

As silly as it seems, that's the best debt repayment plan presented to Saskatchewan voters in the provincial election.

Saskatchewan's debt position is much better than that of most provinces, but it's going in the wrong direction. The operational deficit is projected to be $427 million this year. That's in addition to about $700 million in borrowing for infrastructure.

Borrowing is one thing. Borrowing without any repayment plan is another thing entirely. And yet, the issue was almost entirely ignored by both major political parties.

The NDP promised to take on less debt, but failed to present any plan to repay the current debt.

The Saskatchewan Party made a passing reference to debt repayment. If oil prices rise to $75 per barrel, it promises to put increased revenues into a rainy-day fund. If the fund tops $500 million, it will start paying down debt. Those are big "ifs."

It wasn't always this way. The Sask. Party's 2011 platform included a vision for a debt-free province. But the debt started going back up again. And that vision was nowhere to be seen in the 2016 Sask. Party platform.

Yet, with or without a plan, Saskatchewan's debts will have to be repaid.

And interest costs aren't going to make that easier. Even with rock-bottom rates, interest on this year's new debt alone will be tens of millions of dollars. If those debts aren't repaid before interest rates begin rising to normal levels the problem will get worse.

Bond rating agency Standard and Poor's has revised its outlook on Saskatchewan's sterling credit rating from stable to negative because "there's a one-in-three chance that the recent decline in oil prices may erode Saskatchewan's budgetary performance." Both Alberta and Manitoba have ignored similar warnings and recently received rating downgrades. While everyone hopes oil prices will rise, hope is not a plan.

Saskatchewan needs a coherent debt repayment plan, otherwise we'll simply watch millions continue to disappear into interest payments. t

"Borrowing is one thing. Borrowing without any repayment plan is another thing entirely."

Fibber pushes Manitoba politicians to

by Todd MacKay
Prairie Director

Politicians prepare for everything. They prepare for their opponents' attacks. They prepare to counterpunch. They prepare focus-grouped ad campaigns.

But despite the crafted messages and staged photo-ops, there's one thing that always seems to catch politicians off guard: the figurative pie in the face.

Fibber, the Canadian Taxpayers Federation's Honesty in Politics mascot, got the Manitoba election started with a big laugh.

Manitoba Premier Greg Selinger had his campaign kick-off all planned out. In a carefully crafted image, he led a parade of his candidates out of the legislature. They marched in lockstep to the lieutenant-governor's house next door to officially call the election. Cameras flashed as reporters swarmed.

There was an extra marcher: Fibber.

Fibber's long nose gives him a striking resemblance to Pinocchio. He first joined the CTF when Ontario's then-premier Dalton McGuinty betrayed a signed pledge not to raise taxes. He got to know Fibber well as the mascot hounded the Liberals during the campaign.

Now Fibber was called to Manitoba.

There was no suggestion of raising the PST in the 2011 provincial election. Selinger said it was "nonsense" to suggest the NDP would raise the tax. And yet, in 2013, the PST went up from 7% to 8%.

Taxpayers were outraged. They had been lied to during the campaign. Worse, Manitoba law required a referendum before tax hikes, but the government went ahead with the hike without holding a vote.

When Selinger stepped out of the legislature he came face to face with the long nose of Fibber. Fibber came prepared. He was holding a sign with a simple message: cut the PST.

Selinger smiled bravely. His candidates scowled. The camera operators and photographers struggled to keep their shots steady while they laughed.

> "When Selinger stepped out of the legislature he came face to face with the long nose of Fibber. Fibber came prepared. He was holding a sign with a simple message: cut the PST."

Then something amazing happened. Fibber didn't simply stand there. He joined the march. In fact, he led it.

And that's what viewers saw when they turned on their TVs. Fibber with his cut-the-PST sign marching along with Selinger and his candidates to the lieutenant-governor's house. The visuals immediately crystallized the campaign ballot question: taxes and trust.

Fibber wasn't done.

No single party has a monopoly on honesty and fiscal responsibility (or a lack thereof). Regardless of political philosophy, every government faces tremendous

NDP Leader Greg Selinger (right) walking with his
the lieutenant governor's house

cut the PST

Wayne Glowacki / *Winnipeg Free Press*

candidates, along with the CTF's Fibber, to

pressures to backtrack on promises and raise taxes after they're safely in office. Eternal vigilance is required to keep politicians honest.

Progressive Conservative Leader Brian Pallister hit the campaign trail running that day. He had events in Winnipeg, Brandon and Portage la Prairie. His message was simple: a PC government would cut the PST from 8% to 7% before the next election.

Fibber caught up with Pallister and the PC campaign in Portage la Prairie.

"I'm not sure what to do with protesters," said Pallister as he stepped out of his campaign van and saw Fibber. He was clearly confused. Wasn't the PC policy exactly what Fibber's sign demanded? Why was the mascot in the camera shots at the opposition event?

Because a promise is not a victory and a campaign commitment doesn't put any money back in taxpayers' pockets. Fibber wasn't out to support or oppose any specific candidate or party that day. He was there to drive home an idea: cut the PST.

It was just as important to burn the image of a long-nosed anti-tax mascot into the minds of opposition members as it was to remind the government of broken promises. Newly elected MLAs will face the same old temptations to break promises and raise taxes. What was absolutely unthinkable in opposition can become seemingly inevitable in government.

But the appearance of Fibber at both government and opposition campaign events sent a clear message: taxpayers will remember. Both government and opposition MLAs have to respect their promises to taxpayers. Because if it turns out they lied in this election, they'll have to be prepared for Fibber to poke his nose into the next election too.


The Winnipeg Sun ■ FRIDAY, APRIL 15, 2016

"

SELINGER ON DIFFERENT ORGANIZATIONS ALIGNING WITH PARTIES DURING ELECTIONS:

"Every organization in Manitoba does that and has a right to do that. I'm constantly followed around by the (Canadian) Taxpayers Federation and certain characters they have."

Manitoba Hydro spends millions without shopping around

It's smart to shop around. Want to know which local contractor will provide the best deal to build a new deck in the backyard? Phone up a few and ask for quotes.

Unfortunately, Manitoba Hydro isn't interested in shopping around to get the best deal for taxpayers.

A CBC investigation found that Manitoba Hydro awarded a contract for $85 million to a consulting company without any kind of competitive process. They didn't check to see if any other firms could provide more value and/or lower costs. Worse, Hydro failed to proactively disclose the untendered contract.

This isn't a situation where Hydro got caught with its pants down and quickly saw the error of its ways.

"We won't be releasing the justification for that policy," said Scott Powell, a spokesperson for Manitoba Hydro.

CBC reported that Hydro has awarded 2,127 untendered contracts worth $463 million in the last five years.

Manitoba Hydro may think it's OK to spend millions without shopping around, but others raised concerns.

"You can get into a situation where the contract isn't providing you with fair value – you're paying too much, basically. Or you're excluding qualified vendors from competing for government business," said Manitoba's auditor general Norm Ricard. t

Ontario Sunshine salaries continue to soar

by Christine Van Geyn
Ontario Director

The Ontario Sunshine List has been released and it shows that public sector bloat persists in the province.

The Sunshine List, which annually sets out the names and salaries of all public sector employees earning more than $100,000, increased by 3,993 employees last year. The total grew even though the 4,349 Hydro One employees that were on the list last year are no longer disclosed.

There are now 115,433 public sector workers making more than $100,000. The average income for a two-person family with children is $106,100 in Ontario. The average for a single worker is $40,600. Any statements by public sector advocacy groups or unions that the Sunshine threshold should be raised ignores what real wages are like for the rest of the province. Public sector workers on average earn 12% more than their private sector counterparts, and the $100,000 threshold is a meaningful benchmark.

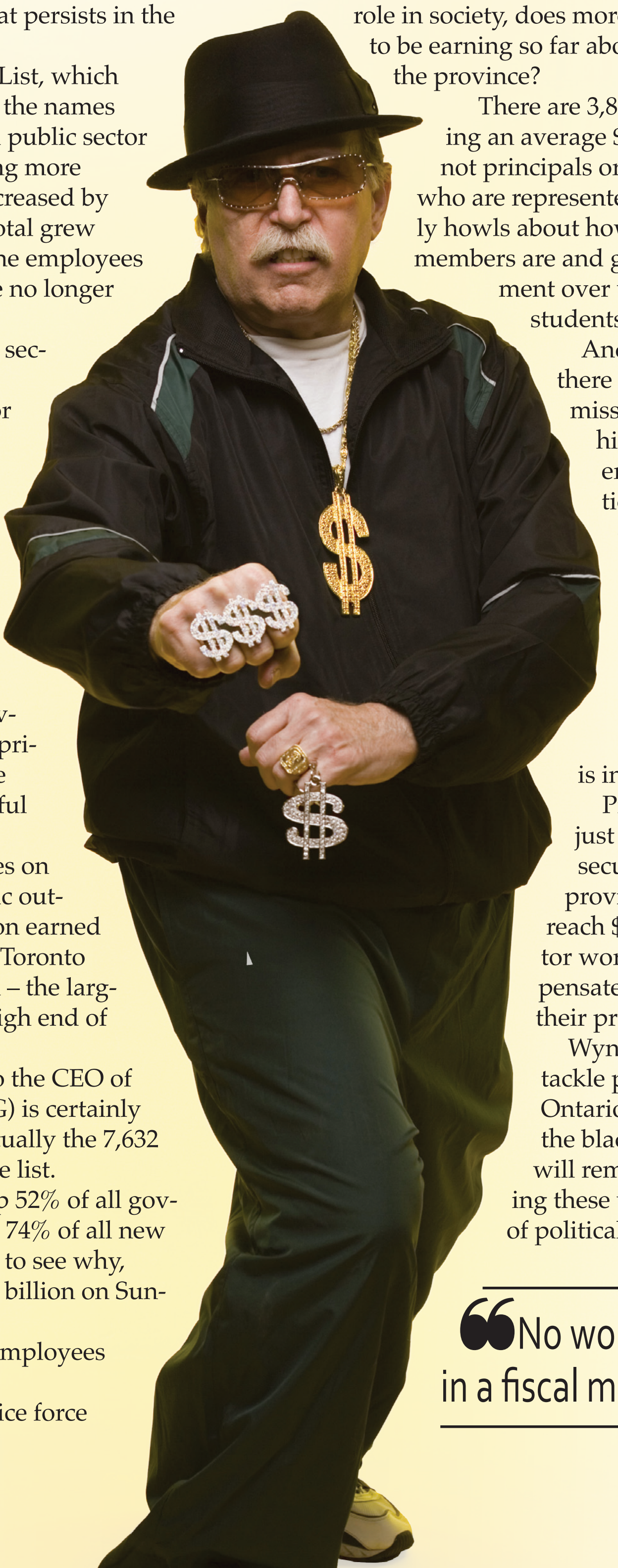
While some ultra-high salaries on the Sunshine List generate public outcry – for example, the $1.5 million earned by the CEO of the University of Toronto Asset Management Corporation – the larger problem is not in fact at the high end of the spectrum.

While the $1.6 million paid to the CEO of Ontario Power Generation (OPG) is certainly high, the more costly issue is actually the 7,632 "regular" OPG employees on the list.

Compensation now makes up 52% of all government program spending and 74% of all new program spending. It's not hard to see why, when the province spends $14.7 billion on Sunshine salaries alone.

It's clear that many of these employees are being overcompensated.

For example, the Toronto police force had the third-most employees on the list, with 4,645 earning an average $121,461. While police play a vital role in society, does more than half of the force need to be earning so far above the salaries of the rest of the province?



There are 3,833 teachers on the list, earning an average $104,242. (That's teachers, not principals or administrators.) Teachers who are represented by a union that regularly howls about how undercompensated their members are and go to war with the government over wage issues while holding students hostage to strikes.

And perhaps most egregiously, there is the Toronto Transit Commission. There are 293 TTC vehicle operators making an average of $108,983 and 21 station collectors making an average of $105,277. The latter is a job that should be minimum wage, or could even be performed by a machine. Yet the city of Toronto paid these 21 toll booth workers $2.2 million.

No wonder the province is in a fiscal mess.

Premier Kathleen Wynne has just tabled Ontario's ninth consecutive deficit budget and the provincial debt this year will reach $300 billion. Yet public sector workers continue to be compensated far beyond the levels of their private sector counterparts.

Wynne needs the courage to tackle public sector wage bloat if Ontario is going to get back into the black. And the Sunshine List will remain a useful tool in bringing these wage issues to the forefront of political debate.

> "No wonder the province is in a fiscal mess."

CTF achieves (temporary) victory on pension plan

The Ontario government has delayed its plan to begin deducting 1.9% off workers' paycheques and taxing employers 1.9% per employee salary in 2017.

The proposed Ontario Retirement Pension Plan (ORPP) would have seen new payroll deductions placed in a government-run fund to be managed similarly to some other large, underfunded pension plans in the province.

The original intent was for deductions to begin in 2017. But on Feb. 16, the Liberal government announced the plan would be delayed until 2018.

The Canadian Taxpayers Federation has been fighting against the ORPP since it was proposed in the 2014 Ontario budget. In the days leading up to the delay, we released a series of documents we had obtained through Freedom of Information applications.

The first set of documents revealed that the Ontario government spent $1.7 million in taxpayer money advertising the ORPP beginning in July 2015, only a few months before the federal election, in which pension reform was a major issue. During the official writ period, the government spent nearly $600,000 promoting the scheme while Wynne campaigned with Justin Trudeau on the pension issue.

After the release of the documents, Wynne faced heavy media criticism and was forced to defend the spending. She claimed that the spending was planned before she knew there would be a federal election – a strange defence, given that the 2015 campaign had a fixed election date.

A week later, CTF released another set of documents showing internal polling by the Ontario government on the impact of ORPP. The polling found that 54% of businesses were considering a hiring freeze in response to ORPP, two-thirds of businesses expected to make operating cuts and 59% expected to cut or freeze wages.

The government had this research in hand for months, yet plowed ahead promoting a payroll deduction scheme it knew would cost jobs.

The same day the CTF released these internal documents, to which the government was again forced to respond, Finance Minister Charles Sousa announced that ORPP would be delayed.

Our ultimate goal is for the government to abandon its job-killing payroll deduction plan. The fact that the government has delayed the plan by one year is a significant step in the right direction. With the help of our supporters, we will continue to push this issue to make sure Ontarians get to keep more of their hard-earned income … and their jobs. t

Photo: Justin Trudeau/Flickr/Creative Commons

After the CTF released documents exposing the impact of the pension plan, Premier Wynne was forced to delay implementation.

The CTF comes to Quebec:

Changing the debate from sovereignty to the role of government

by Carl Vallée
Quebec Director

For the past four decades, the Quebec political debate has revolved around a single question: should Quebec become an independent country? Sovereigntists and federalists have confronted each other in the National Assembly in distinctive political parties.

As a result, ideological alliances that were predominant until the late 1960s disappeared and virtually eliminated the debate around the role of government in taxpayers' lives. The Liberal Party of Québec and the Parti Québécois have succeeded each other in power since 1970 by applying the same recipe which they never questioned: tax and spend, again and again. The result? Quebecers are now the most highly taxed people in North America and the debt is sky-high.

> “Finally, the consensus over the 'Quebec model' of taxing and spending is now being questioned.”

Finally, the consensus over the “Quebec model” of taxing and spending is now being questioned. Quebecers are paying more attention to issues that influence them directly and voters' actions seem to show a withdrawal from the federalist-sovereigntist dichotomy. On the federal level the Bloc Québécois' demise is indisputable; in 2011 and 2015 voters went to the polls based on issues and ideas, not on the question of sovereignty. A third party won enough seats to become officially recognized at the National Assembly in two consecutive elections, something unseen since the beginning of the Liberal-Péquiste hegemony in 1970. There is clearly a thirst among voters for politicians to focus on concrete ideas.

It is in this context that the Canadian Taxpayers Federation has come to La Belle Province. The total public debt in Quebec is over $275 billion; Quebec taxpayers have a marginal income tax rate of 53%, well over the psychological threshold of 50%. Meanwhile, the health care system is in bad shape, schools are crumbling and infrastructure is aging. Taxpayers realize that they aren't getting their money's worth. (And that's not even including the $10 billion that the province receives in annual Equalization payments to make ends meet.)

For now, the CTF's primary goal will be to establish the organization as a credible voice in the public sphere. To that end the CTF will focus on a number of issues.

In March, the CTF was in Quebec City to analyze the new budget. We were satisfied that the government successfully balanced the operating budget. However, that happened mostly thanks to the increasing burden on taxpayers and the debt continues to rise.

Nevertheless, Quebec is taking a step in the right direction, especially when other governments have not had the guts to do the

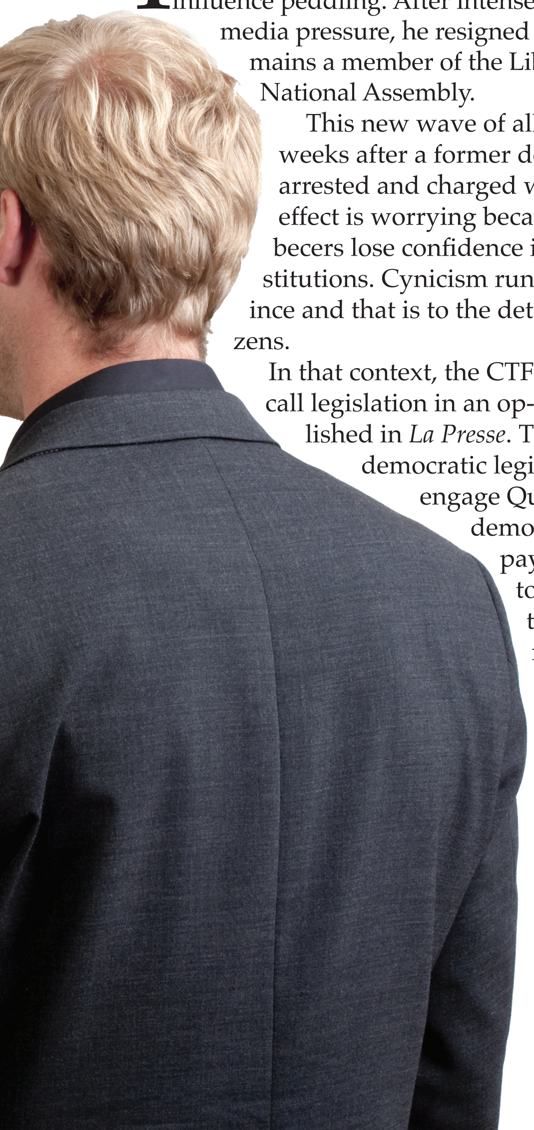
same, most prominently in Ottawa. The CTF has asked the Quebec government to lighten the tax burden and introduce measures to make the economy more competitive and less dependent on Equalization cheques.

In addition, the CTF will focus on the Quebec government's intention to create a long-gun registry. We know what happened at the federal level; the registry was supposed to cost a few million dollars and ended up costing more than a billion. When the registry was abolished, the National Assembly expressed its opposition with unanimous motions which claimed to represent a "Quebec consensus" on the matter. Such a consensus never actually existed. It was based on this false premise that Premier Philippe Couillard's government presented a bill to create a provincial long-gun registry, claiming it had the support of all parties.

However, after protests from several groups, including a recent intervention from the CTF, the so-called consensus evaporated. Liberals, Péquistes and Caquistes (MNAs from third party Coalition Avenir Québec) from rural regions expressed their voters' uneasiness. The leader of the second opposition group, François Legault, promised to let his members freely vote on the matter. This marks a step in the right direction but the fight is not over. We must now convince the Liberals and the PQ to allow their members to vote freely.

In coming weeks and months, the CTF will keep making itself known throughout the province and will keep talking about important issues in order to defend those who, until very recently, had no voice: the taxpayers.

Giving Quebecers the right to recall their politicians



In early April, a provincial cabinet minister, Sam Hamad, became the object of serious allegations of influence peddling. After intense opposition and media pressure, he resigned as minister but remains a member of the Liberal caucus in the National Assembly.

This new wave of allegations came only weeks after a former deputy premier was arrested and charged with corruption. The effect is worrying because it makes Quebecers lose confidence in their political institutions. Cynicism runs high in the province and that is to the detriment of its citizens.

In that context, the CTF proposed MNA recall legislation in an op-ed that was published in *La Presse*. This type of direct democratic legislation would re-engage Quebecers in their democratic system. Taxpayers should be able to hold their politicians to account more than just once every four years.

The proposal was welcomed favourably by the two main opposition parties. The PQ and the CAQ said they liked the idea; the CAQ even hinted at it being part of its next electoral platform.

A small win. And hopefully the start of many wins in Quebec.

Meet Carl Vallée

The CTF's first Quebec director hails from Montreal. He moved to Ottawa in 2009, eventually working as a press secretary and spokesperson for Stephen Harper. In 2015, Carl moved back to Montreal to work for the Canadian Olympic Committee.

Carl joined the CTF in January 2016 and will spend half of his time fighting for CTF supporters in Quebec and the other half as senior consultant in a public affairs firm.

Carl obtained his Bachelor of Laws at the Université de Montréal.

Ferry photo: CO989/Wikipedia

Yarmouth ferry makes a comeback at a big cost

by Kevin Lacey
Atlantic Director

Nova Scotia taxpayers may end up losing more than $100 million thanks to the provincial government signing an agreement to operate a new ferry between Yarmouth and Portland, Maine.

The Liberal government has been telling anyone who will listen that they're in a troubling fiscal situation. That so much money had been found to introduce a ferry caused a lot of head scratching at a time that taxes remain high, roads are crumbling and hospitals need replacing.

The agreement between the province and the ferry operator says that taxpayers will cover all losses over a 10-year period and the government will pay for renovations to the wharf in Yarmouth and to upgrade the vessel. The province will also pay a management fee to Bay Ferries for operating the service (though the government won't say how much that will cost) and the province is responsible for a $5-million line of credit to rent a ferry from the US Navy.

The government predicts it will spend $32.7 million over the first two years of the agreement. After that, the government says we'll just have to wait and see what the costs will be. But if that rate of losses continues, a decade of subsidies could easily surpass $100 million.

One reason for the high cost is that the government put itself in a poor negotiating position from the beginning. Since their election, the Liberals promised that they would operate the ferry no matter what.

So the operator knew the government couldn't abandon the ferry; there was no incentive for the company to provide the best possible deal.

The fundamental problem with the ferry is that not enough people want to take it.

A ferry ran between Yarmouth and Portland from 1956 to 2006, but after ridership fell from a high of over 160,000 passengers in 2002 to just 75,000 by 2009, the NDP government decided the ferry was simply too rich and cancelled it.

> "The operator knew the government couldn't abandon the ferry; there was no incentive for the company to provide the best possible deal."

But just before the 2013 provincial election, the government pulled an about-face and restarted the service. At the time taxpayers were told it would cost $21 million over seven years and attract nearly 100,000 passengers annually. The government said after seven years the ferry would be profitable and taxpayers would be off the hook.

Things didn't quite work out the way the government had planned.

After just a few months, the ferry had burned through the entire seven years' worth of government money. Instead of 95,000 passengers, the boat only carried 50,000 to 60,000. After two years of operation, the ferry had already cost $41 million, almost double the predicted $21 million.

Nova Scotia has tried and failed to bring back a cost-effective ferry service. Yet the government still decided to try again. Given the province's quarter-billion-dollar deficit, a ferry is a luxury the government just cannot afford.

NB HST hike

In the last five years, New Brunswick taxpayers have been forced to endure increases in gas taxes (twice), income taxes raised by the largest amount in the past 30 years, business tax increases and hikes to just about every single fee you could think up.

Starting July 1, taxpayers will face yet another tax increase — a two-percentage-point increase in the provincial portion of the HST. Finance Minister Roger Melanson said he needs the extra revenue to solve the province's financial problems, which include a $347-million deficit this year.

New Brunswick should have learned from what happened in neighbouring Nova Scotia when it increased the HST. At the time, the finance minister said the move was needed to balance the books. However, the province has run a deficit every single year since the combined tax was increased two points to 15% in 2010. The Nova Scotia government is now saying it might balance the budget by 2017-18. Fact is, it can't balance its budget because it just keeps spending any new tax revenue.

New Brunswick is poised to make the same mistake. The government says the increase in revenues (excluding rebates) from the HST hike will be about $300 million.

In this year's budget, the government will increase spending by about that amount. So after just one year, the government will already have that money spent. Not off to a great start.

New Brunswick's French/English bus debate heads to the courts

The New Brunswick government has headed to court to end criticism of its "duality" policy that forces taxpayers to fund French and English services whether or not there is a demand for them.

A storm of controversy was set off by the government's insistence that French students must travel in French-only school buses and English students in English-only school buses even if there are too few students to warrant both.

One school board was even forced to segregate students after someone complained to the minister of education that French and English students were mingling on bilingual buses.

The government is asking the New Brunswick Court of Appeal whether the constitution requires the province to put students on different buses.

A decision could have a far-reaching effect on other government services. For instance, the province has both French and English health boards where other provinces have only one. The government argues it is constitutionally obligated that taxpayers pay for bureaucracies in both official languages.

How does it make sense to have two health authority presidents, each earning more than $250,000? t

"One school board was even forced to segregate students after someone complained to the minister of education that French and English students were mingling on bilingual buses."

Get to know a CTF intern

Each year the CTF puts out a request for applications, searching for the best and brightest among Canada's students, and encouraging them to apply for the organization's internship program.

This past year, the CTF offered internship positions to five Canadian students from Calgary to St. John's – more than at any other time in our history.

While working at the CTF, interns assist the organization in numerous capacities including research, event coordination and communications support. Many also work closely with the CTF's campus-based Generation Screwed campaign.

But don't take our word for it. Before completing their internship, each student records an "exit interview" discussing their experience and answering questions such as what was their favorite experience, their most challenging assignment, and which skills they took away from the opportunity.

You can check out all the CTF intern videos and more by visiting the CTF's YouTube page www.YouTube.com/Taxpayerdotcom.

Are you the next CTF intern? If you or someone you know might be interested in interning with the CTF visit www.taxpayer.com/resource-centre/careers-and-internships/ for more details.

Demand balanced budgets — sign our online petitions

With dozens of active petitions across the country, the CTF offers an opportunity for supporters to get directly involved in the fight on behalf of taxpayers.

This issue we are featuring CTF petitions demanding that governments balance their budgets.

Across the country, politicians are running governments deeper and deeper into the red, racking up debt and leaving future generations with the bill. The latest federal budget projected a deficit of nearly $30 billion for 2016.

The CTF has now made available online balanced-budget petitions for not only the federal government, but also every province in the country.

To sign a CTF balanced-budget petition, visit www.taxpayer.com and select "petitions," located under the "Resource Centre" tab.

Supporter comment of the issue:

"The Gov cannot continue to squander our money. The majority of politicians have never run a business or created wealth. They only know how to spend it. Typically recklessly and self serving."

Ennio D'Angela

Staff tweet of the issue:

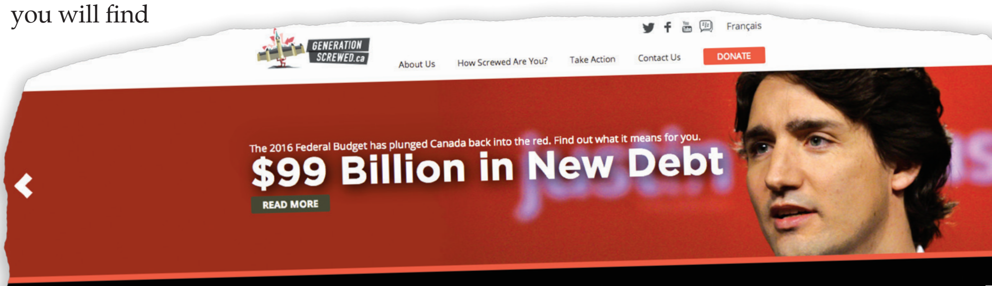
Christine Van Geyn
@cvangeyn

Budget day is like the Olympics for @taxpayerDOTcom. This year's special event - deficit decathlon #cdnpoli #Budget2016

GenerationScrewed.ca – revamped and reinspired

With a fresh new interface and added functionality, the Generation Screwed website adds maturity to an initiative that has grown in leaps and bounds since its launch in 2013. Beneath the flashy new coat of paint the site offers more petitions for supporters to sign, more statistics on debt and deficits for users to compare, and a full French-language equivalent (GenerationTrompee.ca) for the movement's francophone followers.

Most exciting about the new design, however, is the inclusion of a new section: the "GS Forum." Here you will find opinion pieces written by Generation Screwed student coordinators, both past and present, offering their take on the latest policy developments in Canada or a particular province.



By the Numbers

Number of words in the *Income Tax Act* when the Harper government took office:

817,839

Number of words in the *Income Tax Act* when the new Trudeau government took office:

1,062,860

Number of federal bills that have been passed to amend the *Income Tax Act* since 1917:

240

Number of words in *War and Peace:*

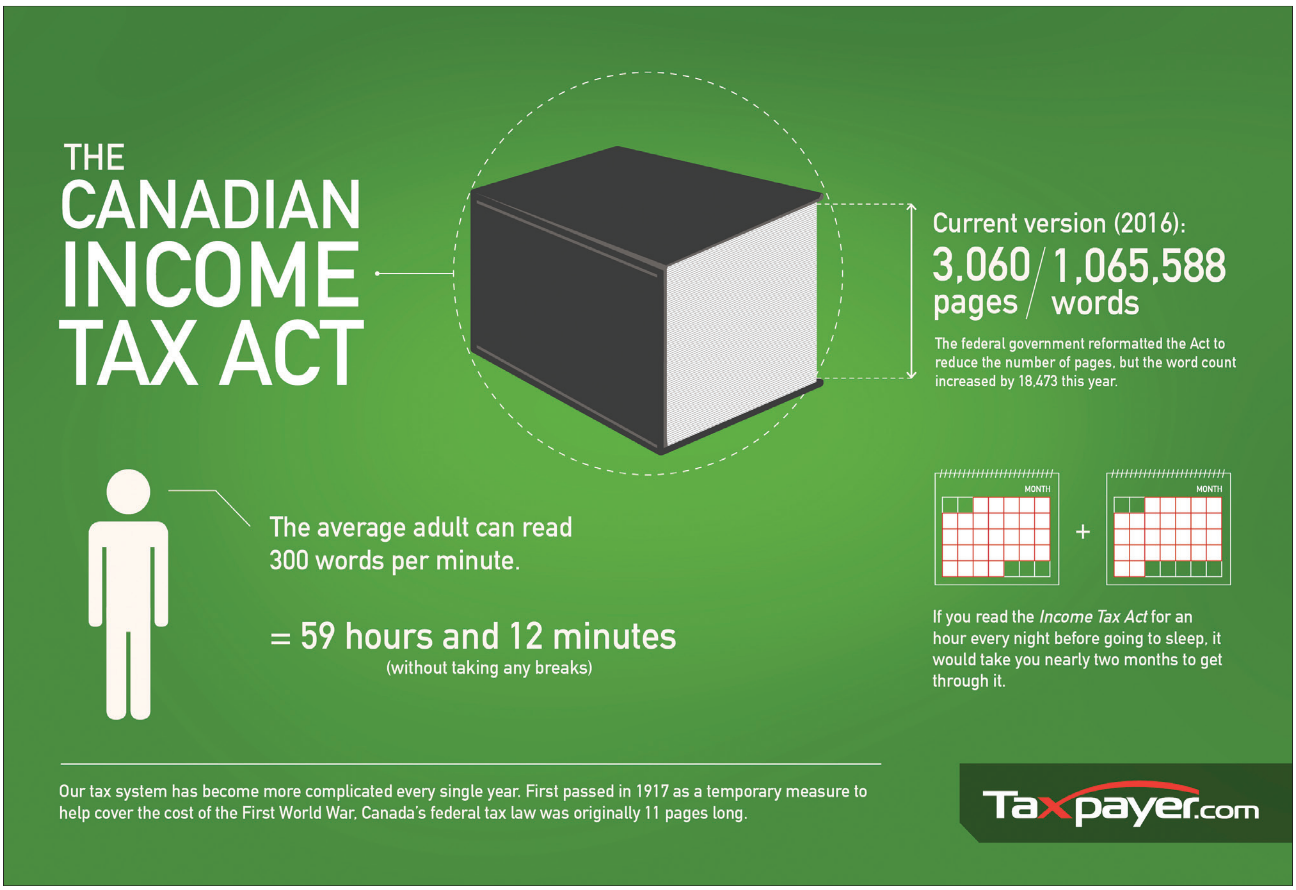
587,287

Number of words in the *King James Bible*:

791,328

Number of words in the four-book *Lord of the Rings* series:

828,045

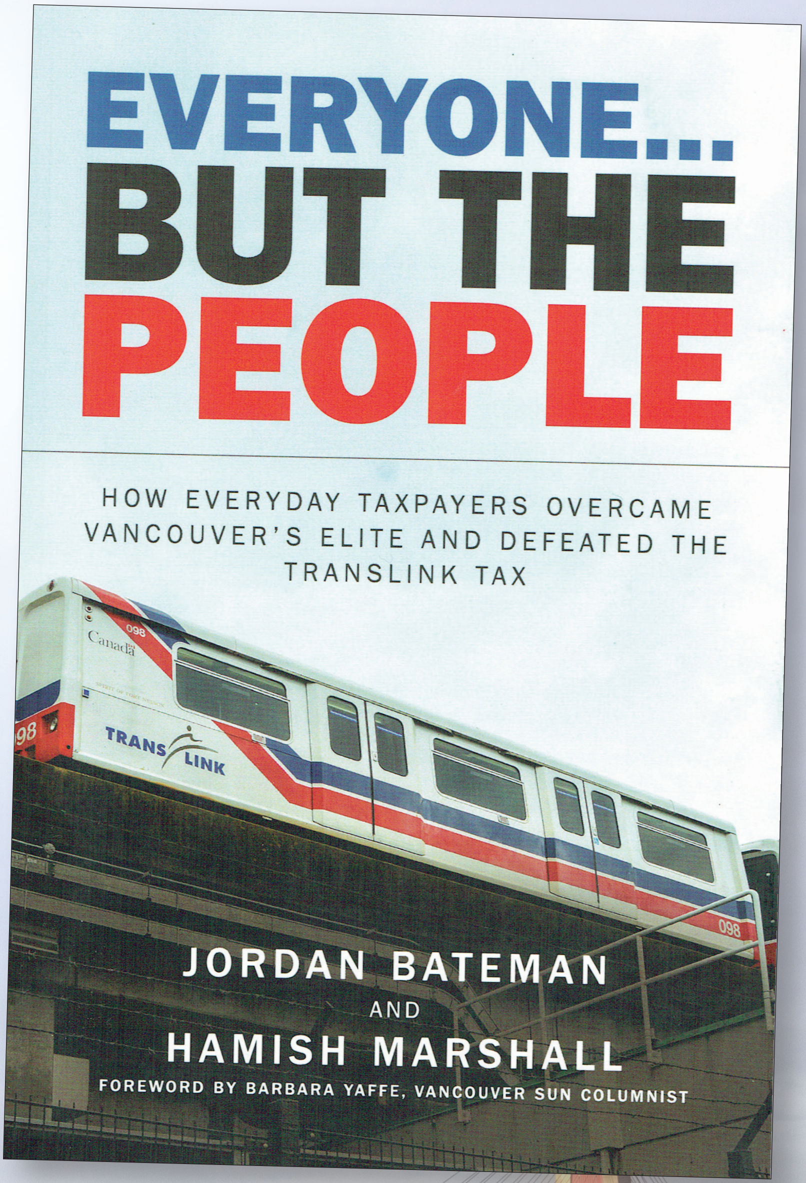


The inside story behind a GREAT Taxpayer victory!

How a tiny grassroots campaign, with no money, behind in the polls won an upset victory against the establishment which outspent them 175 to 1.

The elites thought they had it all in their campaign to impose Canada's first municipal sales tax on the people of Metro Vancouver: A $7-million, taxpayer-funded war chest. More than 150 organizations endorsing the plan. Virtually every mayor, councillor and provincial politician on their side. Business groups, unions, environmentalists and academics, all grinding the public to accept the sales tax and funnel $250 million more a year to TransLink, the bloated regional transit bureaucracy famous for wasting money.

On the other side stood the Canadian Taxpayers Federation, with less than $40,000, and its clever, populist No TransLink Tax campaign. Led by Jordan Bateman and Hamish Marshall, the NO campaign hijacked the elites' campaign strategy, pushed the professional political class off message, and defeated the tax in a landslide victory.



It turns out the elites had Everyone... But the People.

Buy today

Kindle and paperback versions available at:

NoTransLinkTaxBook.ca